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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. SHAW).

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
July 17, 1998.

I hereby designate the Honorable E. CLAY SHAW, Jr., to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

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

Our hearts and thoughts and minds praise You, O God, for You have created a world of infinite possibilities and You have created us with hearts with which to love, thoughts with which to create, and minds with which to reason. Yet, may we ever be aware that our thoughts are not Your thoughts and our ideas are not Your ideas and our love not Yours.

Give us wisdom so that we do not equate our limited faith with Your boundless blessings, nor our efforts at justice with Your perfect word. So with humility we pray that Your spirit will lift our spirits and guide us in the way of righteousness and goodwill.

This is our earnest prayer. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Virginia (Mr. BLILEY) come forward and lead the House in the Pledge of Allegiance.

Mr. BLILEY led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate passed bills and a concurrent resolution of the following titles, in which concurrence of the House is requested:

S. 2143. An act to amend chapter 45 of title 28, United States Code, to authorize the Administrative Assistant to the Chief Justice to accept voluntary services, and for other purposes.

S. 2316. An act to require the Secretary of Energy to submit to Congress a plan to ensure that all amounts accrued on the books of the United States Enrichment Corporation for the disposition of depleted uranium hexafluoride will be used to treat and recycle depleted uranium hexafluoride.

S. Con. Res. 88. Concurrent resolution calling on Japan to have an open, competitive market for consumer photographic film and paper and other sectors facing market access barriers in Japan.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain seven 1 minutes from each side.

PRESIDENT'S TRIP TO CHINA

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

Mr. GIBBONS. Mr. Speaker, yes, President Clinton is back from his 9-day, $50 million, taxpayer-financed road trip to China. I have to give it to him, however; most Americans never get a chance to have an overseas vacation, let alone one where they take 1,200 of their closest friends.

While they did not accomplish much on the road, I think they probably set a record for the cost and size of a presidential delegation traveling abroad. The President's press secretary explained that ''this wasn't just the President going to China, but this was the United States Government, and we brought a lot of government with us.''

Mr. Speaker, I cannot think of anyone they did not take. But, when questioned, McCurry spilled the beans; ''there might be people we shouldn't have included.'' Well, no kidding.

Now, I do not want to sound too critical. After all, they did cut corners where they could. I am told with only 600 rooms available at the Shanghai Ritz Carlton, our intrepid travelers bit the bullet and doubled up. Thank you, Mr. President, for that, saving what you could where you could.

I yield back the remainder of any pocket change this country may have.

PROTECT AMERICA'S BORDERS FROM DRUG SMUGGLERS

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

Mr. TRAFICANT. Mr. Speaker, the Drug Czar opposes it, the White House opposes it, Immigration opposes it, the Pentagon opposes it. They all oppose the Traficant program that authorizes but not mandates the use of troops to straighten out our border. But they also have some interesting company. The Colombian drug cartel is now reported opposing it. The Mexican drug lords oppose it and fear it. The Golden Triangle heroin bosses for the first time are worried about getting heroin into America.

The unusual thing about this program is, the only support I have is a number of Members of Congress and the American people, in growing numbers.

Mr. Speaker, the White House will not get it until there is a six-foot syringe full of heroin shoved up the asset of some bureaucrat at the White House.

Beam me up. What about our children? What about addiction? How many years do we lament the use of narcotics, and we allow it to come across our border?

Only one of every three trucks are searched. I say on the House floor today, a nuclear warhead could cross our border and we would not know it.

I yield back any common sense left in the government of our country.

COMMEMORATION OF 150TH ANNIVERSARY OF FIRST WOMEN'S RIGHTS CONVENTION

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

Ms. DUNN. Mr. Speaker, I rise today to commemorate the 150th anniversary of an event that dramatically changed the course of history and led to the fundamental right of a woman to elect the people who represent them in this very Chamber, the first Women's Rights Convention.

This celebration gives us the opportunity to recognize outstanding achievements of women who have contributed to the development and the strength of our Nation. Because of the leadership, the tireless efforts and the perseverance of our foremothers, women today are able to soar to greater heights each and every day.

While this is a time to celebrate and express our gratitude to those who came before us, it is also a time to reflect and remind ourselves that each one of us has an enormous responsibility not only to the women of tomorrow but to every single woman who helped pave the way for the rights, the freedom and the boundless opportunities we all now cherish.

As we honor women leaders such as Elizabeth Cady Stanton, Lucretia Mott and Susan B. Anthony, let their work serve as an inspiration to women, young and old, across this great land that we can make a powerful difference when we truly believe in a cause and in ourselves.

MANAGED CARE REFORM

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

Mr. DAVIS of Illinois. Mr. Speaker, I am pleased to join with my colleagues today to underscore the need and the importance for real managed care reform. Today in America, insurance companies are making life-threatening decisions regarding patient care. Those same insurance companies that denied medical procedures and treatment are immune from suit.

The horror stories are all too familiar: John, a middle-aged man in need of a liver transplant, his doctor contacts the HMO, and the bureaucrats decline coverage. John appeals, and by the time he works his way through a time-consuming process and the HMO agrees to pay, he is too sick to receive the transplant and dies.

The health care choices must be made by patients and their physicians, not the insurance companies. The Democratic Patient's Bill of Rights is a plan that puts people ahead of politics. It holds managed care corporations and companies responsible.

Let us do real reform. Let us do the Democratic reform.

TIME TO PASS A MIDDLE CLASS TAX CUT

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

Mr. SHIMKUS. Mr. Speaker, it is time to remind the American people what the Republican agenda is for the remainder of the 105th Congress.

First, let us recall that last summer this Congress passed an historic balanced budget agreement that contained tax cuts for millions of middle-class taxpayers and middle-class savers. Last summer, Republicans vowed to pass more tax cuts in the year ahead.

So, here we are, back in Washington and on track to pass more tax cuts for the middle class, the middle-class backbone of America that pays the taxes, plays by the rules, and gets up every morning to engage in productive labor.

The tax burden on the middle class is simply too large. The cost of government is too high. It is simply not right that the Federal Government should take between one-fourth and one-third of what a middle-class family earns.

Liberals may disagree, but most Americans do not believe that the middle-class families should work until the month of May before getting to keep what they earn. It is time for this Congress to pass a middle-class tax cut.

THE DIFFERENCE BETWEEN REPUBLICAN AND DEMOCRAT HEALTH CARE PLANS

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

Mr. PALLONE. Mr. Speaker, it is very important for the American public to understand the difference between the Democrat's managed care reform proposal, the Patient's Bill of Rights, as opposed to the Republican sham managed care reform proposal which we will be considering most likely next week.

First, we need a national remedy for a national problem. No State has passed legislation which deals with all the major areas of managed care consumer protection.

Second, the Republican Senate proposal does not apply to most Americans. Many of its provisions will only cover individuals involved in self-insured, employer-sponsored plans.

Third, the Congressional Budget Office has shown that the costs of the Democratic plan are minimal, only $2 per month for the average person.

In addition, the Republican plans do not prohibit HMOs from offering bonuses to doctors for denying necessary care; the Republican proposals do not guarantee the right of patients to use specialists as their primary care providers; and, most important, the Republican plans do not provide for the enforcement of patient protections. They continue to protect health insurance companies' special interest exemption from legal responsibility; and, as the President said, a right without a remedy is worthless.

CONTINUE IN DIRECTION OF TAX CUTS

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

Mr. TIAHRT. Mr. Speaker, in the remaining months of the 105th Congress, business will be conducted in one of two ways: We will conduct business in the old way it was done for 40 years of Democrat rule, or we can conduct business in a new way, the way business began being conducted in the beginning of January, 1995.

Under the old way, Congress did not hold the line on spending. New goodies were added in the closing days of the session and serious attempts at reform were blocked by the usual special interests.

Under the new way, Congress considers the impact of spending on the family budget first. Instead of asking Washington if Washington can afford new spending, we now ask whether the family can afford it.

It is entirely a new way of thinking. Under the old way, Washington acted like it was doing you a favor by letting you keep more of your own money. Under the new philosophy, the Republicans are pushing to cut taxes as much as possible, because we think middle-class families are paying too much in taxes to a government that is not careful with their money. It is time to continue in this new direction.

AMERICA NEEDS PATIENT'S BILL OF RIGHTS

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

Ms. DELAURO. Mr. Speaker, yesterday Families USA released a report about State-managed care reform laws around the country. The report is entitled ''Hit and Miss,'' because, as the report clearly states, ''Unfortunately, for

consumers who are in need of protection, State laws are more misses than hits: managed care consumers still cannot count on basic protections.''

This report is only the latest in a growing body of evidence that proves what the American people already know, that we need a national Patients Protection Act. We need to ensure that doctors and patients, and not insurance company bureaucrats, are making the critical health care decisions, that patients have the right to go to the emergency room, that women can gain direct access to an obstetrician or gynecologist, and that health plans are held accountable when they deny patients care.

The only plan that ensures these basic protections is the Democratic Patient's Bill of Rights.

I urge the Republican leadership, schedule a vote today on the Dingell-KENNEDY Patients Protection Act.

''HEALTHMARTS'' AND THE QUEST FOR QUALITY

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

Mr. BLILEY. Mr. Speaker, the health care debate has been full of surprises. One of my favorites was the statement that there is no true marketplace today to drive health care equality. The surprise is not what was said, but who said it: Ron Pollack of Families USA, a leading supporter of President Clinton's efforts to nationalize health care.

Well, he and a lot of other health experts are right, we do not have a real health care market, and that is the problem.

Think about it: The last time you bought a car, you did not go to your bank, your credit union or GMAC first. You went to a dealership, talked to the salespeople and took a test drive. Then you arranged your financing. The car you bought was determined by your personal needs and preferences, not by the bank or credit union that financed it.

Why cannot health care operate the same way?

The legislation developed by the Speaker's Working Group on Health Care Quality includes a provision creating HealthMarts. HealthMarts are private, voluntary and competitive health insurance supermarkets. They will transfer choice within the current market from small employers to their employees and dependents.

HealthMarts would give millions of consumers the freedom to choose their health coverage from a menu of options. These options could include managed care and fee-for-service plans, coverage offered by provider-sponsored organizations, and medical savings accounts.

REPUBLICAN HEALTH CARE PROPOSALS LACKING

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

Ms. WOOLSEY. Mr. Speaker, 4 years ago, the Republicans defeated President Clinton's health care bill, claiming it would allow the Federal Government to interfere with doctor-patient relationships.

Well, now the Republicans are offering legislation that does nothing to protect the choices made by doctors and their patients. Their legislation, for example, does not ensure that patients have the right to see a specialist, nor does it prevent insurance companies from continuing to send women home early immediately following a mastectomy.

☐ 0915

What our health care system needs, Mr. Speaker, is the Dingell-Daschle bill, a patient protection bill that ensures doctors and patients are able to make the decisions about the patient's health care, not insurance company bureaucrats and clerks.

A patient protection bill must ensure that patients have the right to choose their doctor, see a specialist, and seek a court remedy when claims have been unfairly denied. It is time to put doctors and patients back in charge of health care.

I urge my colleagues to support the Dingell-Daschle patient protection bill.

U.S. SHOULD WAKE UP TO NUCLEAR ATTACK VULNERABILITY

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

Mr. CHABOT. Mr. Speaker, it is a shame that it has taken nuclear blasts in India and Pakistan to convince American leaders that it is time to put an end to our policy of mutually assured vulnerability. What I mean by that is that the United States is vulnerable to a missile attack.

Many Americans are unaware of this, but if a missile were to be fired at American cities, the United States would be defenseless to stop it.

Not only that, but this is the deliberate policy of the United States to remain defenseless in the face of nuclear attack. The faith of liberals in arms control, in a piece of paper, is boundless.

But recent events in Pakistan and India should serve to force us to reconsider our position of vulnerability in the face of a missile attack.

I hope that recent reports that Communist China has 13 nuclear missiles aimed at the United States will finally cause our leaders here in Washington to wake up. The liberals and our President are always saying we must do this for the children, we must do that for the children. Well, let us make sure that our Nation is protected from nuclear attack for the children.

TERRIFYING HUMAN RIGHTS ABUSES IN INDONESIA

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

Mr. PITTS. Mr. Speaker, reports of the riots in Indonesia last month tell of mass rapes targeted at the Chinese and non-Muslim women. There are several reports that some military leaders helped to organize the terrorizing of the ethnic and religious minorities. One 18-year-old woman reports that the apartment complex where she lived was invaded by an angry Muslim mob. The mob found this woman and her family, tied them up with bed sheets, knocked the father unconscious, and proceeded to brutally rape all the women. This woman's sister was raped by five men who all said, ''Allahu Akbar'' before they raped her.

The young woman's sister tried to fight against the rapists. In the end, one of her rapists sliced open her stomach and brutally killed her. There are many reports detailing the same situation for other women in Indonesia.

Mr. Speaker, the horrors done to the Chinese and the Christian communities must not be allowed to continue under any government whatsoever. The Indonesian Government should use its power to stop these terrifying human rights abuses and investigate the allegation of any military involvement in these atrocities.

GENERAL LEAVE

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4194, and that I be permitted to include tables and charts and other extraneous material.

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

There was no objection.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore (Mr. SHAW). Pursuant to House Resolution 501 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4194.

☐ 0919

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 consideration of the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for

the fiscal year ending September 30, 1999, and for other purposes, with Mr. COMBEST in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California (Mr. LEWIS) and the gentleman from Ohio (Mr. STOKES) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Chairman, I want to at the outset mention to my colleagues that beyond the substance of this bill, which is considerable, during the day today I expect that we will have a good deal of discussion of the reality that there is another piece of substance that indeed deserves our recognition, for as many people know, and I would like the Members who are on their way over time here today to know, that this is the last bill that I will have the privilege of working with my colleague, the gentleman from Ohio (Mr. STOKES) on, on the floor. I think everybody knows of our friendship, and I think as this debate goes forward, people will be reminded of the incredible contribution that the gentleman has made, not just to this legislation, not just to our committee, but to the House as a whole.

Before we perhaps discuss that in a little different environment than the one we have on the floor presently, I would like to spend a few moments with a brief overview of the fiscal year 1999 VA–HUD bill.

Due to the delayed budget process and upcoming election cycle, we find ourselves working under a very compressed schedule. This is evidenced by the fact that our Senate VA–HUD counterparts have already moved their bill through the full committee, and last evening they completed their debate on the bill. This morning they will begin simply the voting process. So they really are ahead of us in that cycle, a most unusual circumstance.

The gentleman from Ohio (Mr. STOKES) and I are hopeful that we can have a conference report completed before the August recess. That is a goal that may be a bit optimistic, but we both are committed to pushing the process forward and getting a bill that can be signed to the President's desk.

The bill before us today is within our allocation in both budget authority and outlays. Our proposal provides $70.894 billion, including $10.2 billion for Section 8 rental assistance. Hidden gimmicks in the President's request, which includes items like receipts from the tobacco settlement, which of course is a fiction, those items make our total $70,894 billion in discretionary spending. They appear to be over the budget request. We are, in fact, if we take out those gimmicks, some $2 billion in real spending below the administration's request.

The VA–HUD subcommittee, by cutting over $25 billion over the last several years, has demonstrated that we can, in a bipartisan way, reduce the rate of growth of government without putting those who rely upon these programs for assistance, including veterans and residents of public housing, for example, without putting those citizens in jeopardy.

With regard to veterans' programs, this bill provides $17.057 billion for veterans' medical care, an increase of $29 million over the administration's request. VA medical research is funded at $320 million, an increase of $20 million over the President's request, and $48 million over last year's bill.

Within HUD's budget, we have funded the Section 8 rental assistance program at $10.2 billion. The CDBG program and drug elimination grant programs have been funded at the budget request of $4.725 billion, and $290 million respectively.

We have also provided $100 million in vouchers designed to implement welfare reform. The section 202 elderly housing program has been funded at $645 million, $109 million over the President's request.

Section 811 disabled housing program has been funded at $194 million, which is an increase of $20 million over the request. Accounts within HUD which have demonstrated positive results have been increased. Those that either are without measurable results, or which have not worked well at all, have been treated differently under this measure.

With regard to the Environmental Protection Agency, we have slightly increased the Agency's budget over the current fiscal year to $7.422 billion. This included level funding of $1.5 billion for the Superfund, a program that has been described as being broken by the administrator. We have been waiting now for several years to receive that promised fix for the Superfund program. We have also funded the President's request for Safe Drinking Water State Revolving Funds, SRF, at $775 million, a $50 million increase over fiscal year 1998, and a Clean Water SRF at $1.250 billion, an increase of $175 million over the President's request. Finally, we have fully funded the President's clean water action plan.

Moving to the National Science Foundation, this bill has increased funding over last year's level for research by $269 million, for major equipment, by $16 million and educational programs by $10 million. As a result of the Frelinghuysen-Neumann amendment, which was adopted in the full committee, the funding for important research programs has been increased by approximately 10 percent over the current fiscal year.

With regard to the National Aeronautics and Space Administration, NASA, we have provided $13.328 billion, a $138 million figure below the administration's request. In part, this reduction represents the fact that due to the space station assembly delays, we may be reducing planned space shuttle launches from eight to six in fiscal year 1999. NASA's science and aeronautics technical account is below the 1998 level, but is $89 million above the President's request.

We plan to continue our positive working relationship with NASA's Administrator, Dan Goldin, to ensure that our final bill reflects our mutual priorities involving science, research, manned space flight, as well as space station assembly.

Moving into AmeriCorps, we have decided that instead of entering into an extended floor fight involving the funding for the Corporation of National and Community Service, the committee intends to first work very closely with our colleagues in the other body. This bill zeroes that program. It is pretty apparent, though, to the Members of the House that in the past when such discussions and actions have taken place, we finally come to a resolution in conference that reflected that broad will of both bodies, and I anticipate that that will be the case in this instance.

Finally, I would like to express my deep reservations to the President of attaching H.R. 2, the public housing reform bill, to this important funding bill in which HUD is just one important component of a much broader and difficult package. While I certainly understand the reasons that we are once again being asked to carry this heavy load that essentially is an authorizing load, it is my fervent hope that authorizing committees of jurisdiction will work to find an acceptable compromise with all parties so that this measure does not unfairly; that is, the authorizing side does not unfairly bring down an appropriations bill that otherwise should be signed into law. I trust that the leadership will work with us to assure that the overall VA–HUD bill, which currently strikes a delicate balance, will not ultimately be placed in jeopardy.

In closing, my colleagues, in terms of this portion of any formal remarks I might have, outside of expressing the pleasure that I have had working with my colleague, the gentleman from Ohio (Mr. STOKES), and the reality that we think this bill, that is the appropriations bill, indeed does, once again, reflect the best of nonpartisan effort in dealing with very complex programs. That product is the result of the hard work of the gentleman from Ohio (Mr. STOKES), first and foremost.

I want to further acknowledge the hard work and dedication of Del Davis and David Reich, and Fredette West from the minority staff, as well as Paul Thomson, who is serving as my clerk today; Tim Peterson, Valerie Baldwin, and Dena Baron; from my own staff, David LesStrang, Alex Heslop and Jeff Schockey.

□ 0930

I want to take a moment to pay special tribute and attention to my committee staff director, Frank Cushing, who, unfortunately, could not be with us today due to the death of Alan Tack Hammer, his wife Amy's father.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4194)

	FY 1998 Enacted	FY 1999 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I					
Veterans Benefits Administration					
Compensation and pensions	20,482,997,000	21,857,058,000	21,857,058,000	+1,374,061,000	
Readjustment benefits	1,366,000,000	1,175,000,000	1,175,000,000	-191,000,000	
Veterans insurance and indemnities	51,360,000	46,450,000	46,450,000	-4,910,000	
Veterans housing benefit program fund program account (indefinite)	166,370,000	263,587,000	263,587,000	+97,217,000	
(Limitation on direct loans)	(300,000)	(300,000)	(300,000)		
Administrative expenses	160,437,000	159,121,000	159,121,000	-1,316,000	
Education loan fund program account	1,000	1,000	1,000		
(Limitation on direct loans)	(3,000)	(3,000)	(3,000)		
Administrative expenses	200,000	206,000	206,000	+6,000	
Vocational rehabilitation loans program account	44,000	55,000	55,000	+11,000	
(Limitation on direct loans)	(2,278,000)	(2,401,000)	(2,401,000)	(+123,000)	
Administrative expenses	388,000	400,000	400,000	+12,000	
Native American Veteran Housing Loan Program Account	515,000	515,000	515,000		
Total, Veterans Benefits Administration	22,228,312,000	23,502,393,000	23,502,393,000	+1,274,081,000	
Veterans Health Administration					
Medical care	16,487,396,000	16,392,975,000	16,211,396,000	-276,000,000	-181,579,000
Delayed equipment obligation	570,000,000	635,000,000	846,000,000	+276,000,000	+211,000,000
Total	17,057,396,000	17,027,975,000	17,057,396,000		+29,421,000
(Transfer to general operations)			(-23,000,000)	(-23,000,000)	(-23,000,000)
Medical collections guarantee	15,000,000			-15,000,000	
Medical care cost recovery collections:					
Offsetting receipts	-543,000,000	-558,000,000	-558,000,000	-15,000,000	
Appropriations (indefinite)	543,000,000	558,000,000	558,000,000	+15,000,000	
Total available	(17,600,396,000)	(17,585,975,000)	(17,615,396,000)	(+15,000,000)	(+29,421,000)
Medical and prosthetic research	272,000,000	300,000,000	310,000,000	+38,000,000	+10,000,000
Medical administration and miscellaneous operating expenses	59,860,000	60,000,000	60,000,000	+140,000	
General Post Fund, National Homes:					
Loan program account (by transfer)	(7,000)	(7,000)	(7,000)		
Administrative expenses (by transfer)	(54,000)	(54,000)	(54,000)		
(Limitation on direct loans)	(70,000)	(70,000)	(70,000)		
General post fund (transfer out)	(-61,000)	(-61,000)	(-61,000)		
Total, Veterans Health Administration	17,404,256,000	17,387,975,000	17,427,396,000	+23,140,000	+39,421,000
Departmental Administration					
General operating expenses	786,135,000	849,661,000	855,661,000	+69,526,000	+6,000,000
Offsetting receipts	(35,760,000)	(38,960,000)	(38,960,000)	(+3,200,000)	
Total, Program Level	(821,895,000)	(888,621,000)	(894,621,000)	(+72,726,000)	(+6,000,000)
(Transfer from medical care)			(23,000,000)	(+23,000,000)	(+23,000,000)
(Transfer from national cemetary)			(86,000)	(+86,000)	(+86,000)
National Cemetery System	84,183,000	92,006,000	92,006,000	+7,823,000	
(Transfer to general operations)			(-86,000)	(-86,000)	(-86,000)
Office of Inspector General	31,013,000	32,702,000	32,702,000	+1,689,000	
Construction, major projects	177,900,000	97,000,000	143,000,000	-34,900,000	+46,000,000
Construction, minor projects	175,000,000	141,000,000	175,000,000		+34,000,000
Grants for construction of State extended care facilities	80,000,000	37,000,000	80,000,000		+43,000,000
Grants for the construction of State veterans cemeteries	10,000,000	10,000,000	10,000,000		
Total, Departmental Administration	1,344,231,000	1,259,369,000	1,388,369,000	+44,138,000	+129,000,000
Total, title I, Department of Veterans Affairs	40,976,799,000	42,149,737,000	42,318,158,000	+1,341,359,000	+168,421,000
(By transfer)	(61,000)	(61,000)	(61,000)		
(Limitation on direct loans)	(2,651,000)	(2,774,000)	(2,774,000)	(+123,000)	
Consisting of:					
Mandatory	(22,066,727,000)	(23,342,095,000)	(23,342,095,000)	(+1,275,368,000)	
Discretionary	(18,910,072,000)	(18,807,642,000)	(18,976,063,000)	(+65,991,000)	(+168,421,000)
TITLE II					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Public and Indian Housing					
Housing Certificate Fund	9,373,000,000	8,981,187,705	10,240,542,030	+867,542,030	+1,259,354,325
Sec 8 reserve preservation account (rescission)	-2,347,190,000			+2,347,190,000	
Expiring section 8 contracts	(8,180,000,000)	(7,190,645,675)	(9,600,000,000)	(+1,420,000,000)	(+2,409,354,325)
Section 8 amendments	(850,000,000)	(1,337,000,000)	(97,000,000)	(-753,000,000)	(-1,240,000,000)
Section 8 relocation assistance	(343,000,000)	(433,542,030)	(433,542,030)	(+90,542,030)	
Regional opportunity counseling		(20,000,000)	(10,000,000)	(+10,000,000)	(-10,000,000)
Welfare to work housing vouchers			(100,000,000)	(+100,000,000)	(+100,000,000)
Subtotal	(7,025,810,000)	(8,981,187,705)	(10,240,542,030)	(+3,214,732,030)	(+1,259,354,325)
Welfare to work housing vouchers		283,000,000			-283,000,000
Annual contributions (rescission)	-550,000,000			+550,000,000	

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4194)

	FY 1998 Enacted	FY 1999 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Public housing capital fund	2,500,000,000	2,550,000,000	3,000,000,000	+500,000,000	+450,000,000
Public housing operating fund	2,900,000,000	2,818,000,000	2,818,000,000	-82,000,000	.....
Subtotal	5,400,000,000	5,368,000,000	5,818,000,000	+418,000,000	+450,000,000
Drug elimination grants for low-income housing	310,000,000	310,000,000	290,000,000	-20,000,000	-20,000,000
Revitalization of severely distressed public housing (HOPE VI)	550,000,000	550,000,000	600,000,000	+50,000,000	+50,000,000
Indian housing block grants	600,000,000	600,000,000	620,000,000	+20,000,000	+20,000,000
Title VI Indian federal guarantees program account	.....	5,000,000	.....	.....	-5,000,000
Indian housing loan guarantee fund program account	5,000,000	6,000,000	6,000,000	+1,000,000	.....
(Limitation on guaranteed loans)	(73,800,000)	(68,881,000)	(68,881,000)	(-4,919,000)	.....
Capital Grants/Capital Loans Preservation Account					
Capital grants/Capital loans preservation account	10,000,000	.....	.....	-10,000,000	.....
Community Planning and Development					
Housing opportunities for persons with AIDS	204,000,000	225,000,000	225,000,000	+21,000,000	.....
Community development block grants	4,805,000,000	4,725,000,000	4,725,000,000	-80,000,000	.....
Economic development initiative	.....	400,000,000	.....	.....	-400,000,000
Section 108 loan guarantees:					
(Limitation on guaranteed loans)	(1,261,000,000)	.....	(1,261,000,000)	.....	(+1,261,000,000)
Credit subsidy	29,000,000	29,000,000	29,000,000	.....	.....
Administrative expenses	1,000,000	1,000,000	1,000,000	.....	.....
Brownfields redevelopment	25,000,000	50,000,000	.....	-25,000,000	-50,000,000
Empowerment Zones and Enterprise Communities	5,000,000	.....	.....	-5,000,000	.....
HOME investment partnerships program	1,500,000,000	1,883,000,000	1,600,000,000	+100,000,000	-283,000,000
Supportive housing program (rescission)	-6,000,000	.....	.....	+6,000,000	.....
Shelter plus care (rescission)	-4,000,000	.....	.....	+4,000,000	.....
Homeless assistance grants	823,000,000	1,150,000,000	975,000,000	+152,000,000	-175,000,000
Youthbuild program	.....	45,000,000	.....	.....	-45,000,000
Total, Public and Indian Housing (net)	20,732,810,000	24,611,187,705	25,129,542,030	+4,396,732,030	+518,354,325
Housing Programs					
Housing for special populations	839,000,000	.....	839,000,000	.....	+839,000,000
Housing for the elderly	(645,000,000)	.....	.....	(-645,000,000)	.....
Housing for the disabled	(194,000,000)	.....	.....	(-194,000,000)	.....
Rental housing assistance:					
Rescission of budget authority, indefinite	-125,000,000	.....	.....	+125,000,000	.....
Flexible Subsidy Fund	.....	.....	.....	.....	.....
Federal Housing Administration					
FHA - Mutual mortgage insurance program account:					
(Limitation on guaranteed loans)	(110,000,000,000)	(110,000,000,000)	(110,000,000,000)	.....	.....
(Limitation on direct loans)	(200,000,000)	(50,000,000)	(50,000,000)	(-150,000,000)	.....
Administrative expenses	338,421,000	328,888,000	328,888,000	-9,533,000	.....
Offsetting receipts	-333,421,000	-529,000,000	-529,000,000	-195,579,000	.....
Non-overhead administrative expenses	.....	200,000,000	200,000,000	+200,000,000	.....
FHA - General and special risk program account:					
Program costs	81,000,000	81,000,000	81,000,000	.....	.....
(Limitation on guaranteed loans)	(17,400,000,000)	(18,100,000,000)	(18,100,000,000)	(+700,000,000)	.....
(Limitation on direct loans)	(120,000,000)	(50,000,000)	(50,000,000)	(-70,000,000)	.....
Administrative expenses	222,305,000	211,455,000	211,455,000	-10,850,000	.....
Non-overhead administrative expenses	.....	104,000,000	104,000,000	+104,000,000	.....
Subsidy - multifamily	-18,000,000	.....	.....	+18,000,000	.....
Subsidy - single family	-64,000,000	.....	.....	+64,000,000	.....
Subsidy - Title I	-25,000,000	.....	.....	+25,000,000	.....
Subsidies for FY 1999	.....	-125,000,000	-125,000,000	-125,000,000	.....
Total, Federal Housing Administration	201,305,000	271,343,000	271,343,000	+70,038,000	.....
Government National Mortgage Association					
Guarantees of mortgage-backed securities loan guarantee program account:					
(Limitation on guaranteed loans)	(130,000,000,000)	(150,000,000,000)	(150,000,000,000)	(+20,000,000,000)	.....
Administrative expenses	9,383,000	9,383,000	9,383,000	.....	.....
Offsetting receipts	-204,000,000	-370,000,000	-370,000,000	-166,000,000	.....
Policy Development and Research					
Research and technology	36,500,000	50,000,000	47,500,000	+11,000,000	-2,500,000
Fair Housing and Equal Opportunity					
Fair housing activities	30,000,000	52,000,000	40,000,000	+10,000,000	-12,000,000
Office of Lead Hazard Control					
Office of lead hazard control	.....	85,000,000	80,000,000	+80,000,000	-5,000,000
Management and Administration					
Salaries and expenses	446,000,000	471,843,000	456,843,000	+10,843,000	-15,000,000
(By transfer, limitation on FHA corporate funds)	(544,443,000)	(518,000,000)	(518,000,000)	(-26,443,000)	.....
(By transfer, GNMA)	(9,383,000)	(9,383,000)	(9,383,000)	.....	.....
(By transfer, Community Planning and Development)	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
(By transfer, Title VI)	.....	(200,000)	(200,000)	(+200,000)	.....
(By transfer, Indian Housing)	.....	(400,000)	(400,000)	(+400,000)	.....
Total, Salaries and expenses	(1,000,826,000)	(1,000,826,000)	(985,826,000)	(-15,000,000)	(-15,000,000)

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4194)

	FY 1998 Enacted	FY 1999 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Office of Inspector General	40,567,000	34,507,000	49,567,000	+9,000,000	+15,060,000
(By transfer, limitation on FHA corporate funds)	(16,283,000)	(22,343,000)	(22,343,000)	(+6,060,000)	.....
(By transfer from Drug Elimination Grants)	(10,000,000)	(10,000,000)	(10,000,000)	.....	.....
Total, Office of Inspector General	(66,850,000)	(66,850,000)	(81,910,000)	(+15,060,000)	(+15,060,000)
Office of federal housing enterprise oversight	16,000,000	16,551,000	16,551,000	+551,000	.....
Offsetting receipts	-16,000,000	-16,551,000	-16,551,000	-551,000	.....
Administrative Provisions					
Sec 8 Portfolio Reengineering	-562,000,000	.....	.....	+562,000,000	.....
Single Family Property Disposition	.....	-400,000,000	.....	.....	+400,000,000
Total, title II, Department of Housing & Urban Development (net)	21,444,565,000	24,815,263,705	26,553,178,030	+5,108,613,030	+1,737,914,325
Appropriations	(24,476,755,000)	(24,815,263,705)	(26,553,178,030)	(+2,076,423,030)	(+1,737,914,325)
Rescissions	(-3,032,190,000)	.....	.....	(+3,032,190,000)	.....
(Limitation on guaranteed loans)	(258,661,000,000)	(278,100,000,000)	(279,361,000,000)	(+20,700,000,000)	(+1,261,000,000)
(Limitation on corporate funds)	(581,109,000)	(561,326,000)	(561,326,000)	(-19,783,000)	.....
TITLE III					
INDEPENDENT AGENCIES					
Department of Defense - Civil					
American Battle Monuments Commission					
Salaries and expenses	26,897,000	23,931,000	26,431,000	-466,000	+2,500,000
Chemical Safety and Hazard Investigation Board					
Salaries and expenses	4,000,000	7,000,000	6,500,000	+2,500,000	-500,000
Department of the Treasury					
Community Development Financial Institutions					
Community development financial institutions fund program account	80,000,000	125,000,000	80,000,000	.....	-45,000,000
Consumer Product Safety Commission					
Salaries and expenses	45,000,000	46,500,000	46,000,000	+1,000,000	-500,000
Corporation for National and Community Service					
National and community service programs operating expenses	425,500,000	499,316,000	.....	-425,500,000	-499,316,000
Office of Inspector General	3,000,000	3,000,000	.....	-3,000,000	-3,000,000
Total	428,500,000	502,316,000	.....	-428,500,000	-502,316,000
Court of Veterans Appeals					
Salaries and expenses	9,319,000	10,195,000	10,195,000	+876,000	.....
Department of Defense - Civil					
Cemeterial Expenses, Army					
Salaries and expenses	11,815,000	11,666,000	11,666,000	-149,000	.....
Environmental Protection Agency					
Science and Technology	631,000,000	632,090,000	656,505,000	+25,505,000	+24,415,000
Transfer from Hazardous Substance Superfund	35,000,000	40,200,800	40,000,000	+5,000,000	-200,800
Subtotal, Science and Technology	666,000,000	672,290,800	696,505,000	+30,505,000	+24,214,200
Environmental Programs and Management	1,801,000,000	1,990,150,000	1,856,000,000	+55,000,000	-134,150,000
Office of Inspector General	28,501,000	31,154,000	31,154,000	+2,653,000	.....
Transfer from Hazardous Substance Superfund	11,641,000	12,237,300	12,237,000	+596,000	-300
Subtotal, OIG	40,142,000	43,391,300	43,391,000	+3,249,000	-300
Buildings and facilities	109,420,000	52,948,000	60,948,000	-48,472,000	+8,000,000
Advance appropriation, FY 2000	.....	40,700,000	.....	.....	-40,700,000
Subtotal	109,420,000	93,648,000	60,948,000	-48,472,000	-32,700,000
Hazardous Substance Superfund	1,400,000,000	2,092,745,000	1,400,000,000	.....	-692,745,000
Delay of obligation	100,000,000	.....	100,000,000	.....	+100,000,000
Transfer to Office of Inspector General	-11,641,000	-12,237,300	-12,237,000	-596,000	+300
Transfer to Science and Technology	-35,000,000	-40,200,800	-40,000,000	-5,000,000	+200,800
Subtotal, Hazardous Substance Superfund	1,453,359,000	2,040,306,900	1,447,763,000	-5,596,000	-592,543,900
Leaking Underground Storage Tank Trust Fund	65,000,000	71,210,000	70,000,000	+5,000,000	-1,210,000
(Limitation on administrative expenses)	(7,500,000)	.....	.....	(-7,500,000)	.....
Oil spill response	15,000,000	17,321,400	15,000,000	.....	-2,321,400
(Limitation on administrative expenses)	(9,000,000)	.....	.....	(-9,000,000)	.....
State and Tribal Assistance Grants	2,468,125,000	2,028,000,000	2,348,475,000	-119,650,000	+320,475,000
Categorical grants	745,000,000	874,657,000	884,657,000	+139,657,000	+10,000,000
Subtotal, STAG	3,213,125,000	2,902,657,000	3,233,132,000	+20,007,000	+330,475,000
Working capital fund	(101,000,000)	.....	.....	(-101,000,000)	.....
Total, EPA for FY 1998/1999	7,363,046,000	7,790,275,400	7,422,739,000	+59,693,000	-367,536,400
Advance appropriations, FY 2000	.....	40,700,000	.....	.....	-40,700,000

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4194)

	FY 1998 Enacted	FY 1999 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Executive Office of the President					
Office of Science and Technology Policy	4,932,000	5,026,000	5,026,000	+94,000	.....
Council on Environmental Quality and Office of Environmental Quality	2,500,000	3,020,000	2,675,000	+175,000	-345,000
Unanticipated needs	1,000,000	.....	.....	-1,000,000	.....
Total	8,432,000	8,046,000	7,701,000	-731,000	-345,000
Federal Deposit Insurance Corporation					
Office of Inspector General (transfer)	(34,365,000)	(34,666,000)	(34,666,000)	(+301,000)	.....
Federal Emergency Management Agency					
Disaster relief	320,000,000	307,745,000	307,745,000	-12,255,000	.....
Contingent emergency funding	1,600,000,000	626,296,000	.....	-1,600,000,000	-626,396,000
Pre-disaster mitigation	.....	50,000,000	.....	.....	-50,000,000
Disaster assistance direct loan program account:					
State share loan	1,495,000	1,355,000	1,355,000	-140,000	.....
(Limitation on direct loans)	(25,000,000)	(25,000,000)	(25,000,000)	.....	.....
Administrative expenses	341,000	440,000	440,000	+99,000	.....
Salaries and expenses	171,773,000	172,438,000	171,138,000	-635,000	-1,300,000
Office of Inspector General	4,803,000	4,930,000	4,930,000	+127,000	.....
Emergency management planning and assistance	243,546,000	206,674,000	231,674,000	-11,872,000	+25,000,000
Radiological emergency preparedness fund	.....	12,849,000	12,849,000	+12,849,000	.....
Collection of fees	.....	-12,849,000	-12,849,000	-12,849,000	.....
Emergency food and shelter program	100,000,000	100,000,000	100,000,000	.....	.....
National Flood Insurance Fund (limitation on admin expenses):					
Salaries and expenses	(21,610,000)	(22,685,000)	(22,685,000)	(+1,075,000)	.....
Flood mitigation	(78,464,000)	(78,464,000)	(78,464,000)	.....	.....
Administrative provision: REP savings	-12,000,000	.....	.....	+12,000,000	.....
Total, Federal Emergency Management Agency	829,958,000	843,582,000	817,282,000	-12,676,000	-26,300,000
Emergency funding	1,600,000,000	626,296,000	.....	-1,600,000,000	-626,296,000
Total	2,429,958,000	1,469,878,000	817,282,000	-1,612,676,000	-652,596,000
General Services Administration					
Consumer Information Center Fund	2,419,000	2,419,000	2,619,000	+200,000	+200,000
National Aeronautics and Space Administration					
Human space flight	5,506,500,000	5,511,000,000	5,309,000,000	-197,500,000	-202,000,000
(By transfer)	(53,000,000)	.....	.....	(-53,000,000)	.....
Advance appropriation, FY 2000	.....	2,134,000,000	.....	.....	-2,134,000,000
Advance appropriation, FY 2001	.....	1,933,000,000	.....	.....	-1,933,000,000
Advance appropriation, FY 2002	.....	1,766,000,000	.....	.....	-1,766,000,000
Advance appropriation, FY 2003	.....	1,546,000,000	.....	.....	-1,546,000,000
Advance appropriation, FY 2004	.....	350,000,000	.....	.....	-350,000,000
Science, aeronautics and technology	5,690,000,000	5,457,400,000	5,541,600,000	-148,400,000	+84,200,000
Mission support	2,433,200,000	2,476,600,000	2,458,600,000	+25,400,000	-18,000,000
Office of Inspector General	18,300,000	20,000,000	19,000,000	+700,000	-1,000,000
Total, NASA for FY 1998/1999	13,648,000,000	13,465,000,000	13,328,200,000	-319,800,000	-136,800,000
Advance appropriation, FY 2000	.....	2,134,000,000	.....	.....	-2,134,000,000
Advance appropriation, FY 2001 - 2004	.....	5,595,000,000	.....	.....	-5,595,000,000
National Credit Union Administration					
Central liquidity facility:					
(Limitation on direct loans)	(600,000,000)	(600,000,000)	(600,000,000)	.....	.....
(Limitation on administrative expenses, corporate funds)	(203,000)	(176,000)	(176,000)	(-27,000)	.....
Revolving loan program	1,000,000	.....	2,000,000	+1,000,000	+2,000,000
National Science Foundation					
Research and related activities	2,545,700,000	2,846,800,000	2,745,000,000	+199,300,000	-101,800,000
Major research equipment	74,000,000	94,000,000	90,000,000	+16,000,000	-4,000,000
Delay of obligation	35,000,000	.....	.....	-35,000,000	.....
Large Hadron Collider, advance approp, FY 2000	.....	15,900,000	.....	.....	-15,900,000
Advance appropriation, FY 2001	.....	16,370,000	.....	.....	-16,370,000
Advance appropriation, FY 2002	.....	16,860,000	.....	.....	-16,860,000
Advance appropriation, FY 2003	.....	9,720,000	.....	.....	-9,720,000
South Pole Station, advance approp, FY 2000	.....	22,400,000	.....	.....	-22,400,000
Advance appropriation, FY 2001	.....	13,500,000	.....	.....	-13,500,000
Education and human resources	632,500,000	683,000,000	642,500,000	+10,000,000	-40,500,000
Salaries and expenses	136,950,000	144,000,000	144,000,000	+7,050,000	.....
Office of Inspector General	4,850,000	5,200,000	5,200,000	+350,000	.....
Total, NSF for FY 1998/1999	3,429,000,000	3,773,000,000	3,626,700,000	+197,700,000	-146,300,000
Advance appropriation, FY 2000	.....	38,300,000	.....	.....	-38,300,000
Advance appropriation, FY 2001 - 2004	.....	56,450,000	.....	.....	-56,450,000
Neighborhood Reinvestment Corporation					
Payment to the Neighborhood Reinvestment Corporation	60,000,000	90,000,000	90,000,000	+30,000,000	.....

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4194)

	FY 1998 Enacted	FY 1999 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Department of Defense - Civil					
Selective Service System					
Salaries and expenses	23,413,000	24,940,000	24,176,000	+763,000	-764,000
Total, title III, Independent agencies, FY 98/99	25,970,799,000	26,723,870,400	25,502,209,000	-468,590,000	-1,221,661,400
Emergency funding	1,600,000,000	626,296,000	.....	-1,600,000,000	-626,296,000
Total	25,570,799,000	27,350,166,400	25,502,209,000	-2,068,590,000	-1,847,957,400
Advance appropriation, FY 2000	.....	2,213,000,000	.....	.....	-2,213,000,000
Advance appropriation, FY 2001 - 2004	.....	5,651,450,000	.....	.....	-5,651,450,000
(Limitation on administrative expenses)	(116,574,000)	(101,149,000)	(101,149,000)	(-15,425,000)	.....
(Limitation on direct loans)	(625,000,000)	(625,000,000)	(625,000,000)	.....	.....
(Limitation on corporate funds)	(203,000)	(176,000)	(176,000)	(-27,000)	.....
TITLE IV - GENERAL PROVISIONS					
FHA loan limits (sec 424)	.....	.....	-83,000,000	-83,000,000	-83,000,000
VA - Medical and prosthetic research (sec 424)	.....	.....	10,000,000	+10,000,000	+10,000,000
NSF - Research and related activities (sec 424)	.....	.....	70,000,000	+70,000,000	+70,000,000
Total, title IV, General provisions	.....	.....	-3,000,000	-3,000,000	-3,000,000
Grand total for FY 1998/1999	88,392,163,000	93,688,871,105	94,370,545,030	+5,978,382,030	+681,673,925
Emergency funding	1,600,000,000	626,296,000	.....	-1,600,000,000	-626,296,000
Total	89,992,163,000	94,315,167,105	94,370,545,030	+4,378,382,030	+55,377,925
Advance appropriation, FY 2000	.....	2,213,000,000	.....	.....	-2,213,000,000
Advance appropriation, FY 2001 - 2004	.....	5,651,450,000	.....	.....	-5,651,450,000
(By transfer)	(87,426,000)	(34,727,000)	(34,727,000)	(-52,699,000)	.....
(Limitation on administrative expenses)	(116,574,000)	(101,149,000)	(101,149,000)	(-15,425,000)	.....
(Limitation on direct loans)	(1,021,451,000)	(796,655,000)	(796,655,000)	(-224,796,000)	.....
(Limitation on guaranteed loans)	(258,661,000,000)	(278,100,000,000)	(279,361,000,000)	(+20,700,000,000)	(+1,261,000,000)
(Limitation on corporate funds)	(581,312,000)	(561,502,000)	(561,502,000)	(-19,810,000)	.....
Total amounts in this bill	89,992,163,000	102,179,617,105	94,370,545,030	+4,378,382,030	-7,809,072,075
Scorekeeping adjustments	32,100,000	-8,934,450,000	-1,070,000,000	-1,102,100,000	+7,864,450,000
Total mandatory and discretionary	90,024,263,000	93,245,167,105	93,300,545,030	+3,276,282,030	+55,377,925
Mandatory	22,066,727,000	22,276,095,000	22,276,095,000	+209,368,000	.....
Discretionary:					
Defense	128,413,000	130,940,000	130,176,000	+1,763,000	-764,000
Nondefense	67,829,123,000	70,838,132,105	70,894,274,030	+3,065,151,030	+56,141,925
Total, Discretionary	67,957,536,000	70,969,072,105	71,024,450,030	+3,066,914,030	+55,377,925

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

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

Mr. Chairman, before making my formal remarks, I want to take just a moment to express to the gentleman from California (Mr. LEWIS), the chairman, the extreme pleasure and honor I deem it to have been able to work with him on the VA-HUD subcommittee for so many years. During that period of time he and I have been able to establish a very personal friendship, and I think it is important for all my colleagues to know and understand that the bill that we bring before the House today is one that he and I have crafted together, under circumstances where he has at all times been extremely fair to me. He has been cooperative in every respect, in terms of all of my concerns relative to this legislation, and serving with the gentleman has been one of the great honors of my career. I want him to know that, as we take this bill through the House, that all the courtesies, all the professional consideration that he has afforded me is deeply appreciated.

Mr. Chairman, this is a bittersweet moment, bringing to the floor with my chairman the last VA-HUD spending measure that I will have the privilege to handle. In many ways, this 1999 bill resembles all the earlier bills of this subcommittee that I have worked on. It does much to provide for veterans, for housing, community development, for environmental protection and emergency management, and for science and education throughout the Nation. Unfortunately, it also falls short in satisfying many of the legitimate needs in some of these areas.

There is much in this legislation that I am proud of and I support without hesitation. There are also provisions and funding levels that I hope will be changed as we move through the process.

The gentleman from California has detailed the important aspects of the bill and I will not repeat them. I would like to take a moment or two, though, to address a few areas of the bill.

In the housing area I am pleased to say that we have been able to provide badly needed increases in some programs, including public housing capital funds, the Hope VI program for modernization of distressed public housing, and homeless assistance grants. I am also glad to report that the bill provides an increase for fair housing programs, and I appreciate the efforts of both the gentleman from California (Mr. LEWIS), the chairman, and also our colleague, the gentleman from Michigan (Mr. KNOLLENBERG), in working out a mutually satisfactory arrangement in this area.

Another positive development in the bill is the 17,000 new housing assistance vouchers that are provided to help families make the transition from welfare to work. However, I note the number provided is considerably less than the number requested by the administration, which was 50,000 vouchers for welfare to work and another 34,000 vouchers to help provide permanent homes for the homeless. These are areas where the need is great, and I intend to offer an amendment to increase the number of new vouchers provided.

The administration is very concerned that the committee's bill includes no funding for the corporation for national and community service, the AmeriCorps program. I think everyone in the chamber knows that there will be no signed VA-HUD bill without adequate AmeriCorps funding. Apparently, a majority of the House believe some measure of victory can be claimed if the bill, as passed by the House, contains no funding for this initiative, even if the conference agreement does. At any rate, I am sure that the bill presented to the President will contain funding for AmeriCorps.

Another provision that causes the administration much concern is that dealing with the Kyoto protocol. The administration has repeatedly stated that there will be no implementation of the Kyoto protocol unless and until the Senate ratifies a treaty. Thus, the provision is unnecessary and the accompanying report language is so broad and vague as to be nearly meaningless. But the signal it might send to some, that even working for educational and outreach purposes is not to be permitted, is, to me, just plain short-sighted.

Funding for EPA's Superfund program has been capped at last year's level of $1.5 billion, $650 million below the request. In addition, brownfields funding has been reduced $15 million below the 1998 level, and the bill contains a provision limiting those funds to assessments only, no money for brownfields cleanups.

Most of the Nation's mayors strongly support the brownfields program and regard the lack of funds for cleanup as the number one impediment in realizing the full potential of the program. At the appropriate time, I will offer an amendment, along with the gentlewoman from Colorado (Ms. DeGette), to strike the provision limiting the brownfields program.

The bill, as reported from committee, contained a troubling provision for the Consumer Product Safety Commission that has the effect of delaying possible rulemaking regarding fire-retardant chemicals in upholstered furniture. The provision was a triumph of the special interests over the national good of saving lives and money currently lost through fires involving furniture that does not have fire-retardant aspects. The rule we adopted included a self-executing provision that modified the original language. While the new provisions are a modest improvement, they still would have the effect desired by industry of delaying CPSC's rulemaking.

The National Science Foundation fared pretty well in the committee's recommendations, receiving about two-thirds of the requested increase for research activities. Still, I wish we could have done more, and especially in the area of education and human resources. For NASA's science programs, we were able to provide an increase above the budget, but the recommended amount is still nearly $150 million below the 1998 level. And the problems with the International Space Station continue. I am afraid our recommended cut of $170 million would have to be restored at some point.

If the estimates of the independent Chabrow report on the station are correct, chances are very good that even more funds than those requested in the budget will be required. I will do my best to ensure that the agency's science programs are not the source from which we make up the inevitable shortfalls in the space station.

In closing, let me say once again that it has been a true pleasure to work with the gentleman from California (Mr. LEWIS), the chairman, on this bill. We do not always agree completely on every measure, but we have been able to resolve our differences always in an amicable manner.

I want to thank him and his staff for all the courtesies and consideration that they have extended to me. I particularly want to say a word of thanks to Frank Cushing, the subcommittee's staff director, and along with the chairman I want to extend my condolences to Frank and Amy over the passing of her father.

I also want to express my appreciation of Paul Thompson, Tim Peterson, Valerie Baldwin, Dena Baron, who is a detailee to our subcommittee, along with Jeff Shockey and Alex Heslop on the Chairman's personal staff. And my special thanks also to two of the members of the minority staff who have been invaluable to me, Del Davis and David Reich, along with Fredette West of my own congressional staff.

Mr. Chairman, I just want to say again that no matter what our differences are relative to this bill, I believe that the chairman and I, in taking this bill to conference, will be able to work out those differences and bring back to this House the kind of a bill that we can all support.

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

Mr. LEWIS of California. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. JOE KNOLLENBERG), my colleague from the committee.

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

Mr. KNOLLENBERG. Mr. Chairman, I thank the chairman for yielding me this time, and I rise today in strong support of this bill.

Mr. Chairman, I particularly want to thank the chairman of the subcommittee, the gentleman from California (Mr. LEWIS), and I also want to extend thanks to the ranking member, the

gentleman from Ohio (Mr. LOUIS STOKES). As everybody knows, he is retiring this year. And while he has received a number of accolades, we continue to add to those, and I want to express mine again today. I want to join my colleagues in wishing him a fond farewell. He served the body well, he served his constituents well, and he will be missed.

I would also like to thank, in particular, the staff. Frank Cushing, who, as has been mentioned, could not be here today because of his loss. We extend our thoughts and prayers to Frank and his family. I want to, in particular, though, thank this staff, all of them, who have been remarkably and extraordinarily helpful in a whole lot of things, so they deserve a lot of credit for helping us craft this bill.

This appropriation bill is unique in that it covers an array of diverse agencies, ranging from the VA to NASA to the EPA. And it is not easy to bring this wide range of interests together into a single bill. However, the chairman, along with the ranking member, have done, I think, a great job by forging a relationship that makes this all possible.

H.R. 4194 is a good bill. However, there is one issue I would like to stress. We have reiterated in report language our intent and expectation that HUD will adhere to our guidance and award no funds for insurance-related purposes, even as part of awards to groups that may use their FHIP funds for a variety of enforcement activities. FHIP, as everyone must know, should know, is the Fair Housing Initiatives Program.

I further want to emphasize that the report allocates a portion of FHIP appropriations to a nationwide audit of discrimination in housing rentals and sales in 20 communities. Because this proposed audit is part of the FHIP, and because its purpose is to investigate discrimination in housing rentals and sales, there should be no question that any of the funds allocated for it can be used to investigate practices of property insurers. However, because HUD has, in the past, interpreted the Fair Housing Act very liberally, I believe it is necessary to underscore this point.

The committee report can only be understood to mean that absolutely no funds, no FHIP funds, including those for the nationwide audit and any awards for packages of activities by private groups, are to be spent on activities focused on practices of property insurers or their agents.

Mr. STOKES. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the full Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I would like to say that as much as I would like to support this bill, I cannot, for a number of reasons.

First of all, the Committee on Rules, in the action of this House yesterday, made in order a totally illegitimate amendment to this bill by adding the 300-page housing bill and authorization bill. And I want to read my colleagues something that I just picked up on the press out of U.S. News today.

It said that the legislation would raise the income levels of people eligible for public housing. The bill would give greater priority to people making as much as $40,000 to be admitted to public housing, allowing them to gain housing before lower-income families. Since no new public housing is being built, and existing waiting lists are years long, these lower-income families will have no option whatsoever. A total of 3 million low-income people would be denied access to public and federally assisted housing, including 1.8 million seniors and children.

It went on to quote Secretary Cuomo, HUD Secretary Cuomo, as saying it is inexcusable that we would take the few units of affordable housing this Congress has allowed to remain and remove it from the grasp of the most vulnerable Americans. This means no housing for America's most vulnerable.

I think that this Congress has no business attaching a proposal like that to this bill.

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Secondly, I would point out that there are a number of funding level problems with this bill. The brownfields program is reduced 18 percent below the President's request. There is very broad and vague language in the report language which relates to the Kyoto Protocol on climate change.

I agree with those who say that we should not be taking actions to implement any treaty before that treaty is ratified, and I would not vote for that treaty under existing circumstances because of what it does not require other countries, such as China, to do. It is simply not strong enough.

But I, nonetheless, believe that the committee language is far too broad. It even presents educational information about the issue. And I think that that is clearly simply a favor to special interests and it is a long-term detriment to America's public health and to the stability of the world's economy and its climate.

I would say that this also, in my view, underfunds what we ought to be doing with veterans' health care. And in my judgment, the reason that we are underfunding veterans' health care, underfunding housing, underfunding EPA, Superfund and a variety of other programs is because we have in this bill some $3½ billion of veterans' health care costs which are related to the treatment of tobacco-related diseases. And it seems to me that the taxpayer should not be paying for the treatment of those diseases, the tobacco companies should.

Since the Committee on Rules determined it was going to make in order an irrelevant authorization bill, I asked the Committee on Rules to make in order a relevant authorization amendment; and that amendment would have simply said that instead of the taxpayers being stuck with that $3½ billion worth of tobacco-related health treatment cost that the tobacco companies be assessed to pay for those costs. That would have enabled us to increase health care for veterans in this bill by $1.7 billion and to do some other things about some of these drastic shortfalls that will only get worse as the problems are compounded.

The Committee on Rules did not choose to do that. That means, in my view, that this bill is essentially an inadequate bill. And until it is, I have no intention whatsoever of voting for that.

I do not make these statements to in any way criticize the gentleman from Ohio (Mr. STOKES) or the gentleman from California (Mr. LEWIS). They have done the best they can within the allocation given them. But the fact is that the allocation is stupid and the fact is that the Congress is stupid if it does not find a way to require tobacco companies to meet health care costs that the taxpayers should not be saddled with. And until we do that, we are not going to have the resources to meet the other needs facing this country.

It is about time that big tobacco does not have the ear of this Congress. It is about time that big business loses the ear of this Congress. It is about time that the public interest once again prevails.

And, in my view, with the priorities that have been set at a higher level than the subcommittee has the authority to do anything about, until those priorities are changed, we should not be supporting the outcome of those priorities.

Mr. LEWIS of California. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

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

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of the VA-HUD Appropriations Bill. And as a member of the committee, I would like to thank the chairman the gentleman from California (Mr. LEWIS) and the ranking member the gentleman from Ohio (Mr. STOKES) and their staffs for their hard work and guidance throughout this year on a whole host of issues, and most particularly the gentleman from California (Mr. LEWIS) for his extra efforts working with me to improve the Superfund program, which is so important to New Jersey, and the special attention of the gentleman and our staff to issues affecting housing for people with disabilities. Were it not for their hard work and diligence, those two issues, to my mind, would not be adequately addressed.

And I would be remiss, Mr. Chairman, if I did not commend and recognize the years of service of the ranking

member the gentleman from Ohio (Mr. STOKES).

My colleague served with my father in Congress when he was in Congress and was one of the first people to welcome me to this body. His presence in Congress, as well as his service on this committee, will be greatly missed. I have been able to count on his expertise any number of times. His institutional memory is amazing. And his retirement will, without doubt, affect the committee in countless ways. I thank the gentleman for his friendship and advice.

Mr. Chairman, I would also like to briefly call to my colleagues' attention page 11 of the committee's report and thank both the ranking member and the chair for their agreeing to include this language.

This language highlights the problems with the Veterans Administration's new National Formulary for drugs and medical devices. This is a potentially explosive issue, and Members of Congress better have it on their radar screens.

Simply put, the new VA policy is hindering proper medical treatment of veterans by drastically limiting physicians' in the VA choice of medicine from a list, or a formulary, that they can prescribe to treat our veterans.

As this new policy is gradually being put into effect, doctors, residents of our VA hospitals, and veterans organizations familiar with the system have relayed some disturbing results. The stories I have heard from our veterans strike right at the quality of life and care issues, including one veteran who was forced to switch his Parkinson's medication and, as a result, is having a recurrence of his Parkinson's symptoms.

By putting overly restrictive limitations on which type of a medicine a VA doctor can choose, we are severely restricting access to the newest and most effective medications available. Unfortunately, bureaucrats at the VA are assuming that ''one size fits all'' when it comes to medicine. Well, one medicine does not fit all.

I urge all of my colleagues to review this language and listen to what our veterans and the National Alliance for the Mentally Ill are saying about this issue. This is a critical issue. I support this bill. This particular issue is one that we should be concentrating on.

Mr. STOKES. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Virginia (Mr. MOLLOHAN) the very hard working and highly respected member of the subcommittee.

Mr. MOLLOHAN. Mr. Chairman, I appreciate the time that the ranking member has given me to make a few comments on this bill, and I rise to generally express my satisfaction for the bill in the main.

First let me compliment our chairman the gentleman from California (Mr. LEWIS) and the gentleman from Ohio (Mr. STOKES) for the quality of their contribution to this bill. Year in and year out, through the process of marking up this bill putting it together, these two gentlemen, real gentleman, work extremely hard applying their very formidable talents to coming forth with an extraordinary piece of legislation under the circumstances that they find themselves and under the allocations that they are given.

This is I will note, and I will have more to say on it later, the last bill of the gentleman from Ohio (Mr. STOKES) the last time he will be bringing this bill before the full House. And we are terribly appreciative of his wonderful service over many, many years.

Every year, the Subcommittee on VA, HUD and Independent Agencies works to strike the right balance in funding what is really an eclectic mission of vital services and programs to our people. I hope that every Member of this House appreciates not only the difficulty of that task but also the sense of fairness that the gentleman from California (Mr. LEWIS) and the gentleman from Ohio (Mr. STOKES) bring to it. Their conscientious approach is certainly evident in the bill that is before us now.

And in review of it, I am especially pleased with the increased funding for Veterans Affairs regarding medical and prosthetic research that we are committing major resources to HUD, funding the important Community Development Block Grant and Public Housing Operating grants, that we are increasing money to the EPA for science and technology research, including research on particulate matter, and that we are giving greater resources for water assistance grants, which are so critical to the health of our local communities.

Of course, no appropriation bill can be all things to all people. Everyone here accepts that fact. But today we have been asked to accept something more, and it is very unfortunate that extraneous legislation has been made in order by the rule. Our appropriations bill is not the place for it, and that is why I join so many of my colleagues in opposing the rule.

But this appropriations bill is a good bill, and I look forward to working with the chairman and ranking member in making it better by increasing funding to underfunded programs as we move the bill through the process.

Mr. LEWIS of California. Mr. Chairman, it is my pleasure to yield 2¼ minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, I certainly thank the chairman for yielding.

Mr. Chairman, I want to commend the committee for the work that they have done on this well-rounded bill. I have a few problems with the environmental riders, but let us put that aside for now and speak about the positives in this bill.

First let me indicate that I want to support and identify myself with the comments of my colleague the gentleman from New Jersey (Mr. FRELINGHUYSEN) particularly on the issue he outlined with respect to the Veterans Administration.

I certainly say we must accept the fact that this bill contains language concerning a time credit of $20 million to the Veterans' Integrated Service network. And that is what is needed, particularly in New Jersey and for the northeast.

There are certifiable needs throughout New Jersey, from East Orange and the Lyon's facility and throughout other veterans hospitals in the region. And I certainly call upon the Secretary of the VA to act immediately on the committee's direction after this bill is signed into law.

But let me give a little more time to the subject of the FHA single-family mortgage issue. I want to rise in strong support of this subject. It is strongly needed. The increase in the FHA loan limit is an issue that we have long supported on the Committee on Banking and Financial Services.

The gentleman from Florida (Mr. MCCOLLUM) and I have worked together to urge attention of the committee to this issue. And certainly, there is nothing that is more representative of the American dream than the 64-year history of the FHA single-family insurance program.

And particularly, as a representative from New Jersey, I want to point out that in states like New Jersey, but not exclusively New Jersey, where loan prices are traditionally higher than in other parts of the country, the increase is fundamental if the FHA loan program is to be a viable one. We need this increase urgently, it is overdue. And I thank the committee for their intelligent and far-reaching, far-searching work on this issue.

I want to commend the Committee for its work on what I consider to be a well-rounded bill. While I do have reservations on several of the so-called "environmental riders", included in this legislation, I want to rise in strong support of the provisions to increase the FHA single-family mortgage insurance limit. In addition to it being good public policy, the revenues raised by this measure are being put toward necessary programs—$10 million in needed medical research for disabled veterans, and $70 million of the National Science Foundation which will be used by colleges and universities, like Rutgers and Princeton in my own state New Jersey, to help educate our next generation of scientists.

The increase in the FHA loan limit is an issue that I have long supported. For a state like New Jersey this increase is key. I worked with Congressman MCCOLLUM to gather signatures on a letter to Chairman LEWIS and Ranking Minority Member LEWIS STOKES urging that this provision be included in the VA/HUD bill.

Throughout its 64-year history, the FHA single family insurance has enabled millions of American families to achieve the dream of home ownership The American Dream at no cost to taxpayers. It has provided countless home ownership opportunities to millions of

deserving families who were denied or deprived of owning a home through the conventional market. The FHA program has also generated significant revenue benefiting the U.S. Treasury and helped stimulate our nation's economy through housing and neighborhood development.

Yet, FHA's effectiveness is limited because its loan limits have not been allowed to keep pace with market development and changes. Many families have been denied home ownership opportunities because the arbitrary constraints on the maximum mortgage amount prevent FHA from reaching many moderate-income families. In States like New Jersey where home prices are traditionally higher than in other parts of the country, the increase is fundamental if the FHA loan program is to be viable.

Under the measure included in the committee-reported bill, the general limit on FHA loans would be increased from $86,317 to $109,032 (i.e. from 38% to 48% of the Fannie Mae and Freedie Mac ''conforming'' loan limit), while the limit on FHA loans in high-cost areas from $170,362 to $197,620 (i.e. from 75% to 87% of conforming loan limit). The Administration had requested that FHA loan limits be raised to be a nationwide ceiling of $227,150. The provisions included in this bill represent a fair common sense compromise that will provide a measure of fairness to American consumers residing in under served markets, and generate $80 million in additional revenues.

Home ownership is the cornerstone of the American Dream. This FHA loan-limit increase proposal included in the bill helps to further that dream for many hard-working Americans who reside in those markets that are currently under served.

Mr. Chairman, I rise today to speak on an issue that is vital to the veterans of New Jersey and the Northeast.

This bill contains language that urges the Veterans Administration to provide for a one time credit of $20 million to the Veterans Integrated Service Network (VISN) Three, which serves veterans of New Jersey and the Northeast. This language is right and fair.

A General Accounting Office (GAO) revealed that the Network 3 Director, James Farsetta, returned $20 million for the Fiscal Year 1997 budget to the Veterans Administration national offices in Washington. According to the GAO, the Network 3 Director found ''no prudent use'' for these funds. Frankly, with all the funding cutbacks already negatively impacting the justifiable health care needs of the veterans of Network 3, I strongly believe that there are many prudent ways this money could be spent.

At the same time this money was returned to Washington, my office had numerous certifiable complaints from the East Orange and Lyons facilities. Most recently, a patient at Lyons Veterans Affairs Medical Center, which mainly serves psychiatric patients, was found dead after wandering off site unsupervised. He was missing for three days and found only 150 feet from the Hospital's administration building. It is interesting to note that due to funding restraints, New Jersey's VA hospitals have eliminated over 240 jobs. It is obvious to me that the $20 million could have been spent in many prudent ways.

The implementation of the VA's new funding formula known as Veterans Equitable Resource Allocation (VERA) has negatively impacted funding of veterans' health care in New Jersey and the northeastern United States. New Jersey and the Northeast will lose millions of dollars over the next three years.

To save money, the VA has cut back on numerous services for veterans and instituted various managed care procedures that have the impact of destroying the quality of care the veterans receive. For instance, the VA has reduced the amount of treatment offered to those who suffer from Post Traumatic Stress Disorder (PTSD) and reduced the number of medical personnel at various health centers.

As a result of these cutbacks on top of the $20 million giveaway, there has been an erosion of confidence between veterans and the VA. This erosion threatens to destroy the solemn commitment that this Nation made to its veterans when they were called to duty.

I call on the Secretary of the VA to act immediately on the Committee's direction after this bill is signed into law.

The CHAIRMAN. The gentleman from California (Mr. LEWIS) has 11¾ minutes remaining, and the gentleman from Ohio (Mr. STOKES) has 13½ minutes remaining.

Mr. STOKES. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from Florida (Mrs. MEEK) another very distinguished member of our subcommittee and an extremely hard-working lady.

Mrs. MEEK of Florida. Mr. Chairman, I want to thank my colleague and admired member and leader the gentleman from Ohio (Mr. STOKES) and I want to thank my chairman, who has been both fair and efficient in this bill. And I am urging being the Congress to pass this VA-HUD bill.

It was the gentleman from Wisconsin (Mr. OBEY) who said that Congress is to define problems and differences and to devise solutions to these problems. I think that is the way the Subcommittee on VA, HUD and Independent Agencies worked to do this. They were not able in many instances to solve all the problems, but they did try to find solutions to many of them. And I want to commend our committee for that.

There are some things in the bill that I would like to go have seen to have appropriated more money to do the good things that we started some time ago, and one of them was the Corporation for National and Community Services. Another one is housing. And I think the committee addressed housing in a good way. But of course, the more housing vouchers we can receive in poor communities, the better it will be.

So I appreciate the committee addressing the housing voucher situation and raising that level. And I repeat, I would have liked to have seen more.

I would also like to see our committee continue in its direction to improve the environment, not to cut back with drastic reduction, but to continue to provide those assistance that we so desperately need.

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One of my other major concerns to the committee is that the Economic Development Initiative, which has helped so many of us in cities where we have so many poor people being helped by government, providing jobs, doing the kinds of things that good job creation can do, I want to commend the committee for looking at that, but we did not go far enough in providing enough money for the economic development initiative to take care of the cities.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. HOBSON), a member of the committee, for a colloquy.

Mr. HOBSON. Mr. Chairman, I would like to ask the chairman of the subcommittee, my good friend, the gentleman from California (Mr. LEWIS) to enter into a colloquy to clarify report language in this bill pertaining to a rulemaking being considered by the EPA.

As my colleague knows, report language in this bill addresses the security risks associated with making risk management plan data available on the Internet under an EPA rulemaking according to section 112(r) of the Clean Air Act. Members of our committee have heard from many members of their community who expressed concern that making this information available to the public via the Internet could have grave consequences. This type of data, which is already available to relevant businesses and public safety and law enforcement officers, could result in mass destruction in the hands of those intent on doing harm. These security concerns have been echoed by law enforcement and national intelligence representatives in discussions with the EPA. However, the EPA has been unable to adequately address the national security concerns that have been raised.

Mr. Chairman, it is my understanding that discussions between representative law enforcement, the intelligence community and the EPA are ongoing and that a resolution of this issue will occur by the end of this year.

Would the gentleman agree that this is an accurate statement?

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. HOBSON. I yield to the gentleman from California.

Mr. LEWIS of California. Yes, the EPA has been working closely with FBI and other law enforcement and security experts to develop a system limiting inappropriate access to such information. That system is expected to be completed by the end of 1998 as the committee expects to be updated on a monthly basis on the progress and development of security protocol.

Mr. HOBSON. Mr. Chairman, when will the agency actually implement the protocol?

Mr. LEWIS of California. The agency must include a formal protocol proposal as part of their fiscal year 1999 operations plan before implementing any security protocol.

Mr. HOBSON. Thank the gentleman from California for his clarification. I

think we both agree that this issue is one of vital importance to our communities and law enforcement officials, and I appreciate the gentleman's assistance in this matter.

Mr. Chairman, before I conclude, I would just like to take this moment to thank a member of my staff who has worked on this. She has been with me for 7 years. Jennifer Cutcher is leaving to get married and move to Florida, and we are sorry to lose her in our office.

Mr. LEWIS of California. Mr. Chairman, I yield whatever time she might consume, within limits, to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to call attention to an item that is contained in the other body's VA-HUD appropriations bill. It is my understanding that the other body has allowed $7 million for the water systems improvement project in the village of Hempstead, New York. I say to the gentleman from California (Mr. LEWIS) this program is very important to a large number of my constituents. I would be interested in knowing if the gentleman will give consideration in conference to accepting this project?

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. MCCARTHY of New York. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I say to the gentlewoman from New York (Mrs. MCCARTHY), as we have discussed personally and in many a way she has attempted to bring this item to my attention, it indeed is our intention to address this question in the conference. We are going to do everything we can to not only recognize the importance but to assist the gentlewoman and her district as well.

Mrs. MCCARTHY of New York. Mr. Chairman, I thank the gentleman from California (Mr. LEWIS).

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

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

Mr. VENTO. Mr. Chairman, I want to, at the onset, recognize the service of our distinguished colleague from Ohio (Mr. STOKES) who has so ably led this subcommittee as initially chairman, first as a Member, of course, and finally now as ranking member. I think that his steady hand and intellect, keen intellect, and efforts have really done a remarkable job in terms of trying to deal with some of the neediest in our Nation. I am most familiar, of course, with his work on housing and our mutual interest in homelessness and other issues.

But, Mr. Chairman, just speaking to the merits of this briefly, I wanted to express my concerns about some of the fundamental problems with the bill that we have before us. Regrettably, we have serious problems, but it seems as though, notwithstanding positive revenue projections that continue to buoy our economy, that none of the benefit of that positive economy are translating into some of the essential programs that we should have, and this bill even falls short of the budget agreement that was written just last year with regards to some of the agreements on environmental expenditures.

I am very concerned about the attacks on the environment and the riders in this bill. I am concerned about the political game that is going on with regards to providing zero funding for AmeriCorps. I am concerned about the continued expenditure of billions of dollars on the space station, notwithstanding the fact that commitments year after year are not met. I am concerned about the fact that it is written in such a way as to cause these problems. And the fact is, if this were not enough, now we are going to pile onto this bill unrelated riders on bills such as the abolishment of some of the public housing responsibilities that the national government has committed to for the past fifty years.

Therefore, I rise to express my concerns and point out some fundamental problems in the VA–HUD Appropriations bill for FY 1999. Once again, the Republican led Appropriations Committee has provided an uneven product within sufficient resources to meet the needs identified by the Administration, the Congress and the American people. This bill has several serious flaws: it underfunds veterans medical care; attacks our natural resources and environment; abandons the Administration's AmeriCorps program and includes continued funding for a budget busting international space station that will cost American taxpayers more than $100 billion in the final form. In its current state as written, this bill has ensured a collision course with the Senate, House Democrats and the President, but the intended amendment and design crafted by the rule will further warp the measure beyond reason, taking on more controversy and a further blow to this measures unbalance.

The VA–HUD bill appropriates a total of $42.3 billion for VA programs and benefits. Unfortunately, this bill underfunds veterans medical care. The report language states that the Committee has provided an increase for medical care to maintain the 1998 level. While technically true at the amount level, this is accomplished only by reducing funding for VA construction activities and projects by 20% less than current funding levels. Discounting this artifice, the total amount provided for veterans medical care is $276 million less than the 1998 level. According to the Independent Budget issued by major veteran service organizations, the Committee's recommendation is $525 million below the 1999 current service level, and nearly $1.8 billion below their recommended 1999 funding amount.

The funding levels for the housing and community development programs in the VA–HUD bill, are satisfactory compared to 1998. The bill allocates $26.5 billion for HUD programs, an increase from FY 1998. The measure increases funding for the McKinney Homeless Assistance Act programs and with the inclusion of $100 million in new funds for incremental vouchers. Frankly, given the tremendous need for housing assistance that exists across this country, we could have used the entire Administration's request in incremental, or new, section 8 assistance. Given the fact the we have not received incremental funding for many years, however, this is a positive first step in recognizing the severity of the need. This urgent need would argue for the elimination of the provision in this measure which requires a three-month delay in re-issuance of section 8 housing vouchers and certificates. There is no public policy reason and only budget cost scoring behind this 3 month delay provision. It hopefully will be dropped before it becomes law and we will provide dollars without shift.

I am also very supportive of the changes to the FHA loan limit an authorization matter with little to do with the appropriation, no doubt bouyed by the positive CBO scoring. Increases in the floor and the ceiling of the FHA loan limit will make a more viable FHA program because it will achieve market relevance. The increase in the ceiling to 87% of the conforming loan limit will help middle income home buyers in the high cost areas purchase homes. The 48% of the conforming loan limit for the FHA floor is approximately what the level was in an amendment I offered in the 1994 Housing Reauthorization bill. It's been to long a wait for action on FHA modernization. These changes are critically important to many, many areas of the country because the current floor, which serves as the minimum has not been high enough to cover the real costs of building a new home in most regions of the nation for a long time. The bill also makes a positive change that should help deal with disparities in limits in geographically contiguous areas.

I strongly oppose the amendment that will be offered by Mr. LAZIO to this bill later today. His amendment would attach a reworked public housing measure, H.R. 2, to the appropriations bill. This remains a faulty policy and is potentially quite harmful to most communities. Attachment to the appropriations bill is shortsighted simply and an end run of a controversial bill around the process which could potentially stall the important HUD appropriations bill for FY99. This fundamental change being superimposed upon this bill should be considered upon its merits rather than placed upon a must enact funding measure.

In offering this amendment, and indeed protecting it under the rule from points of order, this House majority will be disrupting ongoing, bi-partisan negotiations to resolve major differences between H.R. 2 and its Senate counterpart, S. 462 attempting to gloss over legitimate policy differences on income targeting, ''home rule'' deregulations, minimum rents and other issues. While that process has not been in an actual House/Senate Conference, as it well should be, at least there have been ongoing discussions. This appropriations slam dunk will completely undermine that process. I urge opposition to the Lazio amendment, which will undercut the role of the authorizing committee and which could effectively jeopardize, for no legitimate reason, the progress being made by the positive HUD funding in this bill. I would suggest that the inclusion of the public housing controversy into the VA–HUD bill could be the last straw on the camel's back for many members trying to decide whether to support this appropriations bill.

I also want to note that I have filed several amendments to the HUD–VA bill. Two amendments would provide an additional $30 million to the highly successful, yet consistently under funded Federal Emergency Management Agency's (FEMA) Emergency Food and Shelter program. I don't intend to offer both but intend to discuss one. The charities that work in partnership with the FEMA program continue to be overloaded. Demand for food and shelter is rising and the funding level of EFS has, to say the least, not kept pace with the need.

The other amendment that I have filed would set in law a requirement that owners who intend to prepay their mortgage on low-income multifamily housing properties would have to provide one year notice to the local jurisdictions and to the tenants of those buildings, whose lives are being totally disrupted by such action. It is a reasonable amendment and one I hope this body will see fit to accept.

I note that the Community Development Financial Institutions (CDFI) fund has been allocated $80 million. I am working with my Chairwoman, Mrs. ROUKEMA, in the Banking Committee in the Financial Institutions Subcommittee on reauthorizing this program. We are making improvements, as the CDFI management has, in response to some of the concerns brought out over the last year or so. I think we will have a stronger, more viable CDFI as a result of those actions and that this program which can have such a positive impact in communities, indeed justifies a solid appropriation.

Disappointingly, this bill lacks adequate funding for much needed environmental cleanup and natural resources conservation. Specifically, $1.5 billion is included for the Environmental Protection Agency's (EPA) Superfund program. This amount is $650 million below the budget request and the level agreed to in last year's balanced budget agreement. As a result, numerous contaminated toxic waste sites throughout the country, including specific sites in my district in Minnesota, will remain hazardous to people's health. In addition, the popular and successful Brownfields program is reduced 18 percent below the Administration's request. For the second straight year, the Committee has limited the Brownfields program to assessments; no funding is available for toxic waste site cleanup. According to a report issued by the U.S. Conference of Mayors earlier this year: ''Cities participating in the study identified several major obstacles to the redevelopment of Brownfields. Cities ranked the lack of clean up funds as the number one impediment.'' This is certainly not the time to turn our backs on cleaning up toxic waste in our local communities who desperately need Federal assistance.

The Committee funded the Administration's Climate Change Technology Initiative at $99 million. This amount is less than one-half of the $205 million requested. Furthermore, the Leadership included vague language that limits the use of funds regarding activities related to the Kyoto Protocol on climate change. Specifically, this bill attempts to prohibit the use of funds in the act to ''develop, propose, or issue rules, regulations, decrees, or orders for the purpose of implementing, or in contemplation of implementation, of the Kyoto Protocol. Under existing statutory authorities, the EPA has ongoing activities to develop and issue regulations that would be affected by the Kyoto provisions. Proponents of the provisions argue that this language prohibits the implementation of the Kyoto Protocol until ratification of a treaty by the Senate. However, I disagree. These provisions could well restrict the United States from playing a leadership role in the reduction of greenhouse gas emissions as they at least undercut the EPA moral leadership. Furthermore, the Committee report also balks at EPA's efforts to promote educational outreach and further research on the policies underlying the Kyoto Protocol until or unless the Protocol is ratified by the Senate. This clearly illustrates that the congressional leadership is indifferent to our environmental stewardship responsibilities in this Nation.

As reported, the bill contains no funding for the Corporation for National and Community Service, or AmeriCorps. This lack of language will terminate the programs. This continued effort by the House Republican Majority to eliminate the Administration's national service program will ensure confrontation with the Senate, who supports the program firmly, and the Administration. The Administration had made its support of AmeriCorps abundantly clear. Despite this, the Republican leaders once again have elected to support a charade of cutting or eliminating AmeriCorps funds in the House knowing the conference agreement with the Senate will restore them.

Furthermore, this bill appropriates $2.1 billion for continued development of the international space station. According to some of the most qualified scientists in America, the international space station has little or no scientific value and the American people will gain almost nothing except for the experience of wasting billions on building a space station in orbit. Congress should not invest another penny in this immensely overbudget and overdue program. This is money that can be used to strengthen our National Parks, reinvest in our children's education, provide adequate health care to our Nation's veterans and restore pre-1995 rescission level funding for the Federal Emergency Management Agency's (FEMA) Emergency Food and Shelter Program.

Overall, this legislation meets some of the needs of our Nation's veterans and makes a good first step in the right direction for low-income housing programs. However, I agree with the Administration that this legislation is highly flawed in its attacks upon environmental cleanup, elimination of the successful AmeriCorps program and a budget busting international space station. I urge all Members to vote no on this measure.

Mr. LEWIS of California. Mr. Chairman, I have no additional requests for time, so I reserve the balance of my time.

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

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

Mr. PASCRELL. Mr. Chairman, I want to commend both the gentleman from California (Mr. LEWIS) and the gentleman from Ohio (Mr. STOKES) for putting together a very reasonable piece of legislation. However, I have one concern which I want to bring to the floor.

The $16 billion upholstery manufacture industry will receive an early Christmas present this year, Mr. Chairman. The industry is laughing its way to the bank. Thousands of Americans might die in house fires. They will be burnt to death because the industry spent thousands of dollars lobbying against a national upholstery flammability standard. This absolves the industry from responsibility and preventing their products from literally going up in smoke.

Thirty-seven hundred people a year are killed by house fires. One thousand of them are children, twice as likely to die in a fire than adults. An additional 1,700 youngsters are injured due to residential fires. This bill blocks the progress that the Consumer Product Safety Commission has made in the development of an upholstered furniture flammability standard. This provision not only delays the project but is totally redundant, provides no further benefit to the American public.

Upholstered furniture fires are the number one fire hazard in this country, yet we are still waiting for flammability standards, and while we wait over 25,000 men, women and children have died as a result of burning furniture. The Consumer Product Safety Commission calculates that an upholstery flammability standards will have an annual net savings of $300 million. This $300 million will go directly to American taxpayers because their local fire departments will not be called to extinguish as many residential fires.

Prevention of fires is not just a noteworthy goal. Flammability standards are attainable, they are cost effective, and they make sense. We already require institutions such as hospitals and prisons to purchase flame-retardant furniture. Are we saying that we are more interested in protecting prisoners from upholstery fires than our children?

Mr. STOKES. Mr. Chairman I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Chairman, I thank our ranking member for all the work he has done over so many years on important issues, particularly on his pro-environmental stance.

Mr. Chairman, I rise today because of my concerns over the anti-environmental riders in this bill. As in years past, the Republican majority has once again inserted a number of anti-environmental riders into the bill and its accompanying report. As I am sure we all remember, similar efforts in years past came to no good, eventually resulting in a government shutdown in 1995. Many of these provisions are a waste of taxpayer dollars, calling for duplicative studies and other wasteful delay tactics that will block the implementation of important environmental protection measures, measures that the EPA has determined are in the best interests of protecting human health and the environment.

Just as an example, one provision prohibits the EPA from taking any action to remove contaminated sediments from rivers, lakes and streams

until a new National Academy of Science study has been completed and distributed and analyzed by all parties including Congress or, in other words, indefinitely. The need for this new study is questionable since the NAS just released a report last year entitled: Contaminated Sediments in Ports and Waterways Clean-up Strategies and Technologies.

But the need to remove these contaminated sediments from America's waterways is not in question. Nowhere more than in New Jersey are people sensitive to the issue of contaminated sediments. In New Jersey we have witnessed firsthand the impact that contaminated sediments can have on our commercial and recreational fishing industries.

This remedial dredging rider, I should say this dredging rider, is just one example of the numerous special interest riders in this bill. Others include restrictions on brownfields funding, limitations on the number of toxicological profiles that the Agency for Toxic Substances and Disease Registry can perform, delaying reductions of hazardous mercury emissions from utilities, lowering the bar for clean-ups of NRC-licensed facilities, and the list goes on.

Mr. Chairman, my colleague, the gentleman from California (Mr. WAXMAN) will be offering an amendment to eliminate the anti-environmental riders later today, and I would urge my colleagues on a bipartisan basis to support the Waxman amendment.

Mr. STOKES. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I thank the gentleman for yielding this time to me, and I rise to support the appropriations made in this bill for NASA.

This year marks the 40th anniversary of NASA. These 40 years have been filled with remarkable achievements such as placing the first man on the moon. Let me list for my colleagues only just a few of the spin-offs that have been spawned by this program:

The engine powering the Boeing 777 uses a NASA design high bypass turbo fan engine;

A laminar airflow technique used in NASA clean rooms for contamination-free assembly of space equipment is used as an air purification system;

NASA-developed micro-miniaturization is used in a pacemaker which can be programmed from outside the body; and

NASA-developed solar technologies used to provide power through solar energy.

NASA technology has also been developed to strip paint and also to provide thermal protection from the shuttle solid rocket boosters.

Mr. Chairman, later there will be an amendment on the floor to cancel the space station program. By cancelling the space station we would end the benefits our society can gain from it.

Mr. LEWIS of California. Mr. Chairman, I yield 1 minute to the gentleman from Kansas (Mr. RYUN) for purposes of a colloquy.

Mr. RYUN. Mr. Chairman, I recently received a letter from the mayor of Topeka, Kansas, regarding a serious issue facing the city. According to the mayor, during the floods that ravaged Topeka area in 1993 salt from upstream rivers washed into the city's water infrastructure, causing excessive rust in nearly a hundred miles of unlined cast iron water pipe.

□ 1015

This resulted in a severe ''red water'' and sediment problem for the city. In some parts of the city, residents are unable to drink the water, even to use their washing machines. Every human being needs water daily in order to live. The people of Topeka, Kansas, need clean water to live.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. RYUN. I yield to the gentleman from California.

Mr. LEWIS of California. In our discussions, it has been my distinct impression that the City of Topeka has taken steps to correct this problem, is that correct?

Mr. RYUN. Yes, the city has replaced 20 miles of pipe at a cost of $2.5 million, and has appropriated $5.1 million of city revenue this year to replace another 40 miles. However, according to the mayor, this is insufficient to complete the repairs, and the city is seeking Federal assistance to replace the remaining 40 miles of pipe.

I understand that this is late in the legislative process. However, in light of the urgency of the problem, I am exploring any legislative options available. I would appreciate your assistance in providing funds that we could use to improve this project.

Mr. LEWIS of California. We look forward to working with the gentleman, and appreciate his concerns.

Mr. STOKES. Mr. Chairman, I am pleased to yield two minutes to the gentleman from Michigan (Mr. DINGELL) the distinguished ranking member of the Committee on Commerce.

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

Mr. DINGELL. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Ohio (Mr. STOKES) and the distinguished gentlewoman from Colorado (Ms. DEGETTE) on title 3 of the bill that will strike language placing limitations on the brownfields program. This is one of the most successful programs we have. It is a program desperately needed by our cities.

A bipartisan report from the mayors of our cities say that brownfields sites represent pockets of disinvestment, neglect, and missed opportunities. They are often found in poorer communities and neighborhoods that are desperately in need of economic investment and job creation. The brownfields grant program protects human health by helping to assess and remove environmental poisons from our neighborhood, and, at the same time, encourages redevelopment of abandoned or underutilized property. It also tends to halt urban sprawl, something which is a massive problem.

The Nation's mayors recently surveyed their Members and found that lack of cleanup funds is the number one impediment to brownfields redevelopment. Yet the members of the majority party, by limiting funding and prohibiting revolving loan funds, would go in exactly the opposite and wrong direction. Limitations currently contained in this bill would cripple one of the most successful urban programs we have.

I do not understand the hostility of my colleagues on the Republican side, but let me cite what it is the Inspector General of EPA had to say about this program.

He said, ''EPA has been instrumental in bringing together numerous Federal agencies to work cooperatively towards removing barriers to the redevelopment of brownfields. Our review showed that the cities have been able to leverage millions in private brownfields investment. The agency has accomplished a great deal in a relatively short time.''

One of the remarkable things is this amendment and the prohibition on these expenditures would make a massive step backwards in terms of local efforts in this area. It would even impinge in a very severe and unfortunate way on the efforts of banks to increase lending in these areas.

I urge the adoption of the amendment.

Mr. LEWIS of California. Mr. Chairman, I yield two minutes to the gentleman from Illinois (Mr. WELLER), for purposes of a colloquy.

Mr. WELLER. Mr. Chairman, I thank the gentleman for the opportunity to engage in a colloquy with him.

As you know, there are over 13 hundred sites on the Superfund National Priority List that are still in need of remediation. Of course, we would like to see comprehensive Superfund reform enacted this year that will help get these sites cleaned up faster. However, today I wanted to specify to you about one site in particular and ask that this site be given special priority by the Environmental Protection Agency.

The City of Ottawa in my Congressional district is home to 14 NPL sites contaminated with radioactive waste from factories that used radium-based paints from 1918 to 1978 to make glow in the dark clock dials. Ten of the sites have been remediated. However, due to the complex nature of disposing of radioactive waste, the cost rose over $30 million, and there are four large sites yet to be cleaned. The remediation of the first ten sites involved shipping about 40,000 tons of contaminated soil to Utah.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. WELLER. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. WELLER, I understand that there is a very high rate of cancer in areas surrounding these Superfund sites.

Mr. WELLER. This is true. According to a report prepared by the Illinois Department of Public Health, certain areas surrounding Ottawa Radiation Sites contain very high cancer rates. The study compared the incidence of cancer rates with another city in northern Illinois, and found that Ottawa has nearly 30 percent more cancer. The study also indicated a concentration of those incidences along the north side of the city, where the radiation sites are located.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will yield further, the picture the gentleman has drawn for me is most disturbing, and I want you to know I will be urging the EPA to take this into consideration and expedite the remediation of the remaining Ottawa sites as soon as able possible, consistent with the agency's priority listings.

Mr. WELLER. Mr. Chairman, reclaiming my time, I appreciate the gentleman's concern, and, along with the residents of Ottawa, Illinois, we can look forward to clean up being completed at these sites.

Mr. STOKES. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from New York (Mr. MANTON).

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

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

Mr. Chairman, I rise to express my deep reservations about several provisions of the bill before us, and, of particular concern, the accompanying report language.

The provisions in question may have the result of significantly weakening a number of important environmental programs. These so-called environmental riders contained in the fiscal year 1999 VA–HUD appropriations bill and report are ill-conceived and represent a retreat from a sensible national environmental policy designated or designed to keep our water safe, our air clean and breathable and our lands free of toxic waste.

Mr. Chairman, these are unnecessary provisions which do a great disservice to this House. At a time when our nation's economy is booming with historically low levels of unemployment and inflation well under control, we find ourselves back to fighting the same old battles over how even the most reasonable of environmental protection measures supposedly undermine our economy.

Well, I would say to my colleagues, this old song does not play true any more. The budget is balanced, with a surplus envisioned for the first time in a generation. The stock market is going through the roof, and we have accomplished all this as a country with a strong Clean Air Act, a strong Clean Water Act, and a strong Superfund program.

Mr. Chairman, I ask my colleagues who believe we need to weaken our environmental programs: What is their justification for such drastic steps? And, if they believe their cause is just, let us debate them in an open and fair fashion, and not try to sneak through far-reaching changes in funding bills and hidden in report language. Let us address our differences through the normal legislative process.

You may be surprised to find that we might be in agreement on some matters. Or, we may be able to develop reasonable compromise language on others.

After all, the art of compromise has served our Nation well for over two hundred years.

Mr. Chairman. One amendment which will seek to correct some of the flaws in this legislation will be offered by my friend and colleague, the gentlewoman from Colorado, Ms. DEGETTE. She will be joined in her effort by the distinguished Ranking Member of the VA–HUD Subcommittee, Mr. STOKES, and the gentleman from New Jersey, Mr. FRELINGHUYSEN.

I believe this amendment deserves to receive wide, bipartisan support.

Mr. Chairman. While we may differ on the advisability of pursuing any one particular environmental policy over another, we should not sacrifice the regular order in doing so.

If we have problems with the Superfund program, let us move forward to develop a reasonable reauthorization which takes into account the program as it stands today, not ten years ago.

And, if we are truly concerned about cleaning up old industrial sites and revitalizing our cities, now is not the time to unnecessarily limit funding or erect hurdles to the implementation of this successful program.

Mr. LEWIS of California. Mr. Chairman, I yield two minutes to the gentleman from Iowa (Mr. LATHAM) for a colloquy.

Mr. LATHAM. Mr. Chairman, as the chairman knows, my district in northwest Iowa, like many areas throughout rural America, finds itself underserved when it comes to health care. This is particularly true concerning area veterans.

My district, which covers one-third of Iowa's geographic area, is served by VISN No. 13 in Sioux Falls, South Dakota, and VISN No. 14 in Omaha, Nebraska, and Des Moines, Iowa. Yet there are no VA medical facilities in the district to serve area veterans. Therefore, most veterans must travel anywhere from an hour-and-a-half to three hours each way to find VA medical care.

The placement of a VA community-based outpatient clinic in Sioux City and Fort Dodge would greatly increase the accessibility of VA health care for my constituents. Would the chairman agree to work with me in urging the VA to work towards this end?

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I am very happy to work with the gentleman from Iowa. I might mention to the gentleman that his district and mine have this identical problem, for our territories involves open spaces where people have to travel many, many miles for this kind of service.

As the gentleman is aware, the VA's community-based outpatient clinics were established expressly to address this problem and have been a great success. Moreover, the decision to establish outpatient clinics are made not in Washington, but at the VISN level with local input to address regional and local veterans needs.

That being said, I would be happy to work with the gentleman in communicating his very real concerns to the VA.

Mr. STOKES. Mr. Chairman, I yield 1½ minutes the gentlewoman from Colorado (Ms. DEGETTE).

(Ms. DEGETTE asked and was given permission to revise and extend her remarks.)

Ms. DEGETTE. Mr. Chairman, I rise in support today of the amendment offered by the gentleman from Ohio (Mr. STOKES) and myself to strike the anti-Brownfields environmental rider to this bill. This bill jeopardizes the EPA's brownfields program which we heard the gentleman from Michigan (Mr. DINGELL) so eloquently refer to in three ways: First of all, it prohibits any of these funds from being used by localities to set up revolving loan programs. Secondly, this bill provides only $75 million in funding, which is 17.4 percent below the President's budget request. Finally, this bill prohibits the funds from being used for research and community outreach, a vital component of the program, which furthers understanding of brownfields and gives communities the tools to further redevelopment.

Our amendment remediates these three problems with the bill. It restores the important brownfields component of the legislation, which is so critical towards cleaning up environmental contamination in our inner-cities throughout this country and revitalizing these areas so that they can be economically beneficial to the entire community.

Mr. Chairman, I thank the ranking member for working with me on this amendment.

Mr. HOYER. Mr. Chairman, I rise today because I have some genuine concerns about the funding levels of specific accounts within H.R. 4194, the Veterans Affairs and Housing and Urban Development and Independent Agencies appropriations bill for fiscal year 1999. I understand the difficulty that the chairman and the ranking member faced in crafting this legislation within the tight fiscal constraints

that the Appropriations Committee had this year. However, I am concerned that certain initiatives, which have been priorities of the committee and the Congress in the past, will not receive the necessary level of funding in fiscal year 1999.

First, the bill proposals a $59 million reduction to NASA's Earth Science Program. This important program can help predict weather and climate changes up to a year in advance, will yield tremendous benefits for argricultural and natural resources productivity, will save money and lives by allowing natural disasters to be predicted earlier, and involves partnerships with Japan, the United Kingdom, Brazil, and France. Goddard Space Flight Center, located in Greenbelt, Maryland, is NASA's lead center for these efforts and has an extraordinary reputation for Earth Science studies.

I have visited with the scientists working on this program and I can tell you that their work is amazing. Funding for Earth Science will produce both practical benefits and a long term understanding of the environment. This reduction would be disruptive to the program at a time when the need for programmatic flexibility is at its greatest due to technical challenges in the development of various missions, and could lead to either significant delays or even cancellation of project elements.

I also want to express my concern about the bill's elimination of the AmeriCorps National Service Program. AmeriCorps' members are estimated to leverage an average of about 16 stipended volunteers per member. AmeriCorps teaches its volunteers responsibility and opportunity. The organization has also had a positive effect on traditional volunteer activity. If we are going to make children and youth our top priority, we need the assistance of volunteer service organizations such as AmeriCorps. AmeriCorps plays an important role in advancing the goals of the summit for America's future. We cannot fight to make the future better for our nation's children without AmeriCorps' help.

Finally, the bill increases the limits on the sizes of home mortgage loans that may be insured by the Federal Housing Administration (FHA) under its single-family loan program. Raising these loan limits poses little or no risk to the FHA fund. It is a fund with a value of about $11 billion. Auditors give it a clean bill of health and say that loans at the higher end pose less risk than do low balance loans. Raising the FHA loan limit is critically important and will expand home ownership opportunities to families all too often shut out of the conventional mortgage markets—first time home buyers, minorities, families in inner cities and rural families.

Mr. Chairman, as a member of the Appropriations Committee, I fully understand the budget constraints which we are under, but I am concerned that we are not properly funding the Nation's priorities in this bill. I would hope that we can work towards remedying this imbalance.

Mr. MARKEY. Mr. Chairman, I rise in strong opposition to the VA-HUD and Independent Agencies Appropriations bill. This bill contains a wide array of assaults against the public interest and good sense, which I intend to discuss further during the course of the debate. I am rising now, however, to talk about one particularly obnoxious provision of this bill that affects the Consumer Products Safety Commission.

Under the version of the bill reported out of the Appropriations Committee, a legislative rider was attached which would prevent the CPSC from adopting a rule regarding flammability standards for upholstered furniture until an outside panel was convened to examine the toxicity of fire retardants that would be used to treat such furniture. The Rule providing for consideration of this bill deleted this rider with an equally objectionable self-executing provision which made in order an amendment by the Gentleman from Mississippi (Mr. WICKER).

This amendment was developed behind closed doors, without any meaningful Democratic participation. No mention of the amendment was made during the Rules Committee hearing on the bill, and the gentleman from Mississippi did not even testify on his amendment. Instead, the amendment appeared magically before the Members during the Rules Committee markup. And under the Rule which the Rules Committee approved and the House adopted earlier today, the amendment was attached to the bill—notwithstanding the fact that it violates Clause 2 of Rule XXI of the House Rules by legislating on an appropriations bill. Of course, the Rule took care of that problem as well by granting the amendment a waiver against all points of order.

In light of surreptitious origins of this amendment, and the great haste with which it was adopted, is it any wonder that it contains serious flaws? Earlier today, during consideration of the Rule for this bill, we discovered that the authors of the amendment had mistakenly appropriated $5 billion for the amendment's execution, when they had actually intended to appropriate $5 million. By comparison, the entire CPSC budget is only $46 million. The Republican Majority actually had to offer a motion to correct the unintended financial windfall they almost provided to the CPSC. Despite this correction, however, the underlying amendment remains fatally flawed.

During House debate on the Rule, one of the supporters of this amendment claimed that the proposal had the support of the Commerce Committee. As the Ranking Democrat on the Commerce Committee's Subcommittee on Telecommunications, Trade and Consumer Protection—which has jurisdiction over the CPSC—I can assure the Members that this was not the case. The Commerce Committee has never considered this matter addressed by this amendment. We have never had a single hearing on this subject. We have never heard a word from any of the affected industries and reportedly pressed for adoption of this amendment. We have never had a Committee or Subcommittee markup or cast a vote on this matter. So, while the Chairman and some of the Members of the Majority Side on the Commerce Committee may have agreed to this language, it is not accurate to characterize this provision as having had the support of the Commerce Committee.

So, let's just take a look at what the issue is that this amendment addresses. Currently the CPSC is considering a flammability standard for upholstered furniture. They are doing so pursuant to a petition from the National Association of State Fire Marshals, who asked the CPSC more than four years ago to develop a mandatory safety standard for upholstered furniture to address the risk of fires started from open flames—such as lighters, matches, and candles. The Fire Marshals called for such a rule because the U.S. has one of the highest fire death rates in the world. Nearly 4,000 people died in 1995 because of fires that started in their homes, of which nearly 1,000 were children under the age of 15.

Over the last four years the CPSC has been going through the process of taking public comments, conducting laboratory tests, and evaluating all the technical and economic issues relating to adoption of a safety standard in this area, including requirements relating to use of flame resistant chemicals to treat upholstered furniture. The CPSC staff has been working with scientists from other agencies, such as the National Institute of Environmental Health Sciences and the EPA to assure that all of the significant public health and safety issues associated with adoption of such a rule would be studied.

Now, the bill before us today contains a provision that would, in the words of CPSC Chairwoman Ann Brown, ''completely halt work currently underway . . . on a safety regulation to address the risk of fire from upholstered furniture. According to Chairwoman Brown, ''more fire deaths result from upholstered furniture than any other product under the CPSC's jurisdiction.'' The proposed rules in this area could save hundreds of lives and hundreds of millions in societal costs every year, according to CPSC staff estimates. And yet, instead of allowing the CPSC to proceed with its process, the legislative rider that has been attached to this bill would add at least a year's delay by requiring unnecessary and costly technical review and halting Commission work.

This anti-consumer rider will add additional costs and delays to an ongoing rulemaking process at the CPSC. It will micromanage the cost-benefit analysis that the CPSC is already required to undertake before it adopts a final rule. And it does so why? Well, according to last Friday's Washington Post, this provision is in the bill to benefit the narrow economic interest of a few upholstered furniture manufacturers in Mississippi who are opposed to a mandatory furniture flammability standard. As CPSC Chairwomen Brown has noted, the furniture industry's ''lobbyists are bringing the proper work of government to a halt.''

I think this is wrong. We should oppose this bill today and allow the CPSC to move forward in conjunction with the EPA to adopt a flammability standard for upholstered furniture that fully protects the public from harm. The Clinton Administration has indicated in its Statement of Administration policy that it is opposed to this provision and warned that ''efforts to block the development of a new safety standard represent a threat to public health.'' I agree, and I hope that if this bill is approved the House, this provision will either be deleted in conference or vetoed by the President. I urge a no vote on the bill.

Mr. EVANS. Mr. Chairman, I rise today to express my support for the VA–HUD Appropriations Act of 1999. Like the Administration's FY 1999 budget request, I do not believe this bill does enough to honor the sacrifices our veterans have made for our country. However, I do believe this bill is the best we can do for our veterans in this Congress, which is why I will vote for the bill.

In a perfect world, veterans health care funding would be at higher levels than provided for in this legislation. As health care

costs continue to rise, there is simply no way the VA can provide consistently high quality care to veterans at the present funding levels. An unfortunate result of such shortfalls has been to force VA's specialized care programs to take a back seat to other spending priorities. In the process, important veteran-oriented initiatives such as spinal cord injury centers, blind rehabilitation programs and programs for homeless and mentally ill veterans are not receiving the emphasis they deserve within VA. We cannot allow VA's special program and our commitment to our nation's veterans to unravel.

I also believe that funding levels for the VA Inspector General's office should be sufficient to allow the IG to conduct more of its extremely important work. At a minimum, the IG's budget should be increased by $3.298 million over the House level to enable the IG to perform critical follow up work in response to serious patient care issues raised by veterans and VA employees during the past year. I am pleased with Chairman LEWIS' willingness to consider increased funding levels for the VA Inspector General's office during conference wit the other body, and I thank the Oversight Subcommittee Chairman, TERRY EVERETT, for working with me on a bi-partisan basis to pursue this needed additional funding.

Despite its deficiencies, this legislation represents a modest improvement over last year's appropriation. Given the short time left in this congressional session, I believe we can ill afford to revert to last year's funding levels as part of a continuing resolution in the eleventh hour of this Congress. I urge members to support this bill with the hope that the next Congress can do more to honor the sacrifices made by our veterans.

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

The CHAIRMAN. All time for general debate has expired. Pursuant to the rule, the amendment printed in House Report 105–628 is adopted and the bill is considered read for amendment under the 5 minute rule.

Amendment number 12 printed in the CONGRESSIONAL RECORD may be offered only by the gentleman from Iowa (Mr. LEACH) or his designee, shall be considered read, shall be considered for 40 minutes, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

During consideration of the bill for amendment, the chair may accord priority in recognition to a Member offering an amendment that he has printed in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, providing that the time for voting on the first question shall be a minimum of 15 minutes.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations and offices for the fiscal year ending September 30, 1999, and for other purposes, namely:

TITLE I

DEPARTMENT OF VETERANS AFFAIRS

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

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

Mr. BROWN of California. Mr. Chairman, I just want to offer a few comments on the bill from the perspective of the authorizing committee on which I serve, the Committee on Science. This bill, of course, appropriates about $20 billion or more for programs within the purview of that committee.

I am happy to say that I am rising here to praise and not to condemn the work of the chairman and the ranking member, although there are some difficult choices that had to be made in this bill.

Benjamin Franklin once observed that necessity never made a good bargain, and yet it is necessity that drives the painful choices that go into this most challenging appropriation bill.

Evaluating this bill is always difficult for me. I believe deeply that this Nation has failed to do an adequate job of investing in our future by letting funding levels for civilian science programs decline over the last decade. Yet, this bill forces us to make painful trade-offs among disparate deserving domestic programs.

In this one bill, we have to fund housing, support our veterans, provide for emergency disaster relief and invest in our future at NASA, the National Science Foundation and EPA. Worse, we have no objective criteria for guiding us in waiving the respective benefits of spending among these programs.

I believe there is insufficient funding to meet all our legitimate civilian science needs, but I also know there are insufficient funds to meet the other needs captured in this bill.

□ 1030

Acknowledging this situation that our needs outpace our funds and that we seem to lack either the creative vision or will to do anything about that, I want to congratulate the chairman, the gentleman from California (Mr. LEWIS), and the ranking member of the subcommittee, my good friend, the gentleman from Ohio (Mr. STOKES), for doing a good job in a difficult year.

The funding levels for NASA, NSF and EPA are generally consistent with the President's budget request, and given the pressures on the subcommittee's allocation, that is a remarkable achievement. I have some specific areas of concern or congratulations. I am particularly pleased with the subcommittee action on funding the U.S.-Mexico Science Foundation, funding certain research related to the Salton Sea, and funding a number of FEMA programs which I think are critically important.

However, with the limited time that I have this morning, I want to draw the Members' attention just to two areas of concern. I am very worried about the continuing decline in funding for NASA. Our space agency is among the most efficient and best-managed agencies in the Federal Government, and it has been among the leaders in reinventing itself to do more with less. However, year after year, we ask NASA to keep the Nation at the forefront of civilian aeronautics technologies, satellite technologies, space exploration and space science, and year after year we give them not quite enough money to actually carry out those tasks.

Just as an example of the costs of underfunding NASA, I would point to the Near Earth Object detection and cataloging effort at NASA. The threat posed by Earth-orbit-crossing asteroids and comets has long been a concern of mine and of the committee. The Committee on Science has proposed augmenting funding for this important effort, and I am gratified that the Committee on Appropriations has increased fiscal year 1999 funding by $1.6 million. Nevertheless, I believe the Near Earth Object detection program, the cost of which represents just a fraction of the weekly receipts from current asteroid-disaster-themed Hollywood movies, could be considerably increased.

This is an example of a good program that could be great for very little additional money, and I hope we can do better for it coming out of conference, and I know that the chairman of the subcommittee shares my concern in that regard.

I might note that I saw the current asteroid disaster movie last Sunday, and it is going to stimulate a lot of public concern about whether Congress should be doing something about this important problem.

I am also distressed about language in the bill and report relating to EPA and the Kyoto Protocols. The gentleman from Ohio (Mr. STOKES) and others have commented on this matter. As presented to the House, the bill would place such sweeping limits so EPA that basically we are legislating their thought processes. We also appear to be barring useful work that predates Kyoto, and we would undermine efforts to improve public health. I will be supporting a series of amendments offered by my friend, the gentleman from California (Mr. WAXMAN) that would attempt to mitigate the excesses on the current language on this issue.

I look forward to continuing a very productive relationship with the chairman and ranking member of the subcommittee as we move toward conference, and I would be happy to provide any services I can to help them in their important work.

Mr. TIAHRT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have 2 amendments at the desk, but I do not intend to offer them today. Both amendments were designed to earmark money for Federal research and treatment for the Gulf War illness.

Now, in 1991, about 700,000 American men and women served in the Gulf War. All of us appreciate their courage and their service and thank each and every one of them. More than 228,000 of these veterans have sought medical care. Over 100,000 of them have indicated they may be suffering from Gulf War illness. Their symptoms include sleeplessness, chronic diarrhea, nausea, memory loss, miscarriages, and even birth defects of their newborn children.

Some veterans' organizations have estimated that several thousand of our soldiers have died, and their deaths, in some part, are related to their service in the Gulf War.

This is a very real problem, but the Department of Defense and the Veterans Administration have been very reluctant to acknowledge this problem. At first the Department of Defense said that this was not a problem. Then they told us it was stress-related. It was only until the last few years that the Department of Defense and the Veterans Administration have begun to search for solutions for those who are suffering from these diseases or illnesses that veterans are living with every day of their lives.

In February of this year, in a report by the Government Accounting Office, the GAO, it was stated, ''Our government was not proactive in researching Gulf War illness.''

As a government, we sat on our hands, and this was wrong. Now there is research in the Department of Defense; however, I am convinced that this research is not about the veterans; it is more about protecting soldiers in future conflicts, and I see no fault in it. I think that is very good research, but that places the burden on the Veterans Administration.

Mr. Chairman, I have a great deal of respect for the gentleman from California (Mr. LEWIS), the distinguished chairman of the Subcommittee on VA, HUD and Independent Agencies, and I want to encourage Mr. LEWIS to pursue language that would emphasize to the Veterans Administration the high priority of research and treatment of Gulf War illness.

Let me close by quoting from the February 1998 GAO report. They said in the report, ''The vast majority of research was not initiated until 1994 or later, and much of that was due to pressure by legislative requirements. These requirements were imposed by us here in Congress. Establishing Gulf War research and treatment as a high priority is the right thing to do, and that is why I make this request.''

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. TIAHRT. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I must say to the body that our colleague, the gentleman from Kansas (Mr. TIAHRT) has played a very significant role in dealing with this problem, for there is money in the pipeline now pushing forward that research on the part of the Veterans Administration that is taking place as a direct result of his own work with our committee as well as the entire Congress. I very much appreciate that, and we intend to continue to work with the gentleman, and as we go to conference, I want to make sure that there is emphasis one more time.

Mr. TIAHRT. Mr. Chairman, reclaiming my time, I thank the subcommittee chairman, the gentleman from California (Mr. LEWIS), and I appreciate his efforts. He has been instrumental in putting this pressure on to make sure that we maintain this high priority.

Mr. ROEMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first of all, I want to rise in my admiration for the chairman of the subcommittee who has some of the quickest wit and sparkling sense of humor of any Member in the body. While we agree on many things, including working together on providing quality homes for people in this country and manufactured housing, we disagree on the funding for the space station, where I will offer an amendment later today to strike the funding for the space station; not the space program, but the space station. That disagreement does not diminish my respect for our chairman, the gentleman from California (Mr. LEWIS).

I also have a great deal of respect for a Member from Ohio that is retiring and serving in his last year in this body, who has served not only this body and this institution, but has been a champion for the people in many big cities that have a very difficult time getting their fair share of the budget, getting their fair share of rights, getting their fair share of opportunities.

The gentleman from Ohio (Mr. STOKES) comes from a family of public servants. His brother served for many, many years not only as a mayor, not only as a member of the Ohio community, but served this country so ably, and the gentleman has followed in those footsteps and exceeded those footsteps, I think. So I want to thank him and associate myself with the many tributes that will take place to him.

The gentleman from Michigan (Mr. CAMP), a Republican, and I will offer an amendment later today to strike the funding for the space station, and we will do it, or I will do it for two reasons. One is because of the lack of merit in the space station itself as a program. It has not performed up to the capabilities that it should have; secondly, because we have such a difficult time now under a balanced budget agreement allocating the resources in a fair and just manner.

De Tocqueville said many years ago, ''America is a great country because America is a good country. It will cease to be great when it ceases to be good.'' I think that quote is very appropriate here today. If we do not allocate the resources in a fair, just and good manner to all in society, then we cease to be a great country.

Now, what about the merits of the space station? First of all, I support roughly the $11 billion to $12 billion in the NASA budget, but the $2.1 billion for the space station is not a good expenditure for science, it is not a good expenditure for NASA, and it is not a fair expenditure to the rest of the budget.

Right here, according to this graph, and I think the General Accounting Office put this out in their latest study, we will spend $98 billion over the course of building, developing, researching and maintaining the space station.

Now, we have spent about $20 billion so far, so my colleagues that say, well, we have already spent $20 billion, we will now throw another $80 billion toward this project, I want my colleagues to be very aware of that under the budgetary environment that we face. We have spent $20 billion on research and development; we will spend another $80 billion in the total cost of this.

Now, that is according to the General Accounting Office, and that is if everything goes perfectly. We just had a private sector report, the Cost Assessment and Validation Task Force, that now says that we probably will have cost overruns on the space station of $120 million to $250 million every single month. The $98 billion cost estimate is if everything goes perfectly from now on.

Well, we know it is not going perfectly. The prime contractor is having problems; we have just announced $5 billion in cost overruns, the Russians are not coming through with their fair share of expenditures, we are picking up the tab as taxpayers and transferring money out of NASA to the Russian account to pay for their services. So now the Chabrow report, with their estimation, is saying that, in fact, the space station that was supposed to be completed in 1994 may not be done until somewhere around 2005 or 2006 or 2007. And the development cost is going to be $24 billion instead of $17 billion.

So I think the gentleman from Michigan (Mr. CAMP) and other supporters of cancelling the space station, not the space program, but the space station program, will have this debate later today, and I urge Members' support.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat.

2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198); $21,857,058,000, to remain available until expended: *Provided,* That not to exceed $24,534,000 of the amount appropriated shall be reimbursed to ''General operating expenses'' and ''Medical care'' for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the ''Compensation and pensions'' appropriation: *Provided further,* That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to ''Medical facilities revolving fund'' to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, $1,175,000,000, to remain available until expended: *Provided,* That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, $46,450,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That during fiscal year 1999, within the resources available, not to exceed $300,000 in gross obligations for direct loans are authorized for specially adapted housing loans: *Provided further,* That during 1999 any moneys that would be otherwise deposited into or paid from the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund shall be deposited into or paid from the Veterans Housing Benefit Program Fund: *Provided further,* That any balances in the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund on the effective date of this Act may be transferred to and merged with the Veterans Housing Benefit Program Fund.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $159,121,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $1,000, as authorized by 38 U.S.C. 3698, as amended: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $3,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $206,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $55,000, as authorized by 38 U.S.C. chapter 31, as amended: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $2,401,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $400,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, $515,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed $8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); $17,057,396,000, plus reimbursements: *Provided,* That of the funds made available under this heading, $846,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1999, and shall remain available until September 30, 2000: *Provided further,* That of the funds made available under this heading, $6,000,000 is for the Musculoskeletal Disease Center, which amount shall remain available for obligation until expended: *Provided further,* That of the funds made available under this heading, not to exceed $22,633,000 may be transferred to and merged with the appropriation for ''General operating expenses''.

In addition, in conformance with Public Law 105–33 establishing the Department of Veterans Affairs Medical Care Collections Fund, such sums as may be deposited to such Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 2000, $310,000,000, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; $60,000,000, plus reimbursements.

GENERAL POST FUND, NATIONAL HOMES

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $7,000, as authorized by Public Law 102–54, section 8, which shall be transferred from the ''General post fund'': *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $70,000.

In addition, for administrative expenses to carry out the direct loan programs, $54,000, which shall be transferred from the ''General post fund'', as authorized by Public Law 102–54, section 8.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; $855,661,000: *Provided,* That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act.

NATIONAL CEMETERY SYSTEM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of six passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, $92,006,000: *Provided,* That of the amount made available under this heading, not to exceed $86,000 may be transferred to and merged with the appropriation for ''General operating expenses''.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $32,702,000.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of 38 U.S.C., including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is $4,000,000 or more or where funds for a project were made available in a previous major project appropriation, $143,000,000, to remain available until expended: *Provided,* That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further,* That funds provided in this appropriation for fiscal year 1999, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, 1999; and (2) by the awarding of a construction contract by September 30, 2000: *Provided further,* That the Secretary shall promptly report in writing to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above: *Provided further,* That no funds from any other account except the ''Parking revolving fund'', may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of 38 U.S.C., where the estimated cost of a project is less than $4,000,000; $175,000,000 to remain available until expended, along with unobligated balances of previous ''Construction, minor projects'' appropriations which are hereby made available for any project where the estimated cost is less than $4,000,000: *Provided,* That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from ''Medical care''.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131–8137, $80,000,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, $10,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year 1999 for ''Compensation and pensions'', ''Readjustment benefits'', and ''Veterans insurance and indemnities'' may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year 1999 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for ''Construction, major projects'', ''Construction, minor projects'', and the ''Parking revolving fund'') shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901–7904 or 42 U.S.C. 5141–5204), unless reimbursement of cost is made to the ''Medical care'' account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1999 for ''Compensation and pensions'', ''Readjustment benefits'', and ''Veterans insurance and indemnities'' shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 1998.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1999 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from ''Compensation and pensions''.

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1999, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the ''General operating expenses'' account for the cost of administration of the insurance programs financed through those accounts: *Provided,* That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 1999, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: *Provided further,* That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: *Provided further,* That the Secretary shall determine the cost of administration for fiscal year 1999, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 108. In accordance with section 1557 of title 31, United States Code, the following obligated balances shall be exempt from subchapter IV of chapter 15 of such title and shall remain available for expenditure without fiscal year limitation: (1) funds obligated by the Department of Veterans Affairs for lease numbers 084B–05–94, 084B–07–94, and 084B–027–94 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103–124) under the heading ''Medical care''; and (2) funds obligated by the Department of Veterans Affairs for lease number 084B–002–96 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103–327) under the heading ''Medical care''.

SEC. 109. (a) The Department of Veterans Affairs medical center in Salisbury, North Carolina, is hereby designated as the ''W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center''. Any reference to such center in any law, regulation, map, document, record or other paper of the United States shall be considered to be a reference to the ''W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center''.

(b) EFFECTIVE DATE.—The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, $10,240,542,030, to remain available until expended: *Provided,* That of the total amount provided under this heading, $9,600,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, for enhanced vouchers as provided under the ''Preserving Existing Housing Investment'' account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104–204), and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act: *Provided further,* That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1999: *Provided further,* That of the total amount provided under this heading, $97,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the

Housing Act of 1959, as amended: *Provided further,* That of the total amount provided under this heading, $433,542,030 shall be for section 8 rental assistance under the United States Housing Act of 1937 including assistance to relocate residents of properties: (1) that are owned by the Secretary and being disposed of; or (2) that are discontinuing section 8 project-based assistance; for relocation and replacement housing for units that are demolished or disposed of from the public housing inventory (in addition to amounts that may be available for such purposes under this and other headings); for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: *Provided further,* That of the total amount made available in the preceding proviso, $40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 1361l), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families: *Provided further,* That the amount made available under the fifth proviso under the heading ''Prevention of Resident Displacement'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, shall also be made available to nonelderly disabled families affected by the restriction of occupancy to elderly families in accordance with section 658 of the Housing and Community Development Act of 1992: *Provided further,* That to the extent the Secretary determines that the amount made available under the fifth proviso under the heading ''Prevention of Resident Displacement'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, is not needed to fund applications for affected families described in the fifth proviso, or in the preceding proviso under this heading in this Act, the amount not needed shall be made available to other nonelderly disabled families: *Provided further,* That of the total amount provided under this heading, $10,000,000 shall be for Regional Opportunity Counseling: *Provided further,* That all balances, as of September 30, 1998, remaining in the ''Prevention of Resident Displacement'' account shall be transferred to and merged with the amounts provided for those purposes under this heading.

□ 1045

AMENDMENTS NUMBERED 18 OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer amendment No. 18, which I offer on behalf of myself and the gentleman from Massachusetts (Mr. KENNEDY), and I ask unanimous consent that it be considered en bloc.

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

There was no objection.

The CHAIRMAN. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendments numbered 18 offered by Mr. STOKES:

Page 18, line 14, after the dollar amount, insert the following: ''(reduced by $97,000,000)''.

Page 20, line 22, after the dollar amount, insert the following: ''(increased by $97,000,000)''.

Mr. STOKES. Mr. Chairman, the purpose of the amendment that I am offering, along with my friend, the gentleman from Massachusetts (Mr. KENNEDY) from the authorizing committee, is to provide additional Section 8 housing assistance vouchers targeted specifically to helping low income families make the transition from welfare to work.

The bill, as reported, provides $100 million for this purpose, and our amendment adds another $97 million. This will increase the number of new housing assistance vouchers provided for the bill from 17,600 to 34,800. This is still a bit short of the 50,000 new vouchers requested by the administration, but it is at least a good start.

The budgetary offset for the increase comes from $97 million that the bill appropriates for so-called Section 8 amendments, the term which HUD uses to refer to the process of adding funds to existing Section 8 housing assistance contracts that are running short.

The latest data from HUD and the GAO indicates that this $97 million would not be needed for Section 8 amendments in fiscal year 1999, as they have sufficient money on hand from other sources. Accordingly, what our amendment does is simply shift this $97 million within the Section 8 program and use it instead for welfare-to-work vouchers.

The context for our amendment is the very real crisis in affordable housing that is facing all too many people in this country. According to the latest statistics, there are 5.3 million low income households with what the experts call worst-case housing needs. These are people with incomes below 50 percent of the local median who receive no Federal housing assistance and who either pay more than half their income for rent or live in severely substandard housing.

This is not just an intercity housing problem. One-third of these 5.3 million households with worst-case needs live in the suburbs. It is not just a problem for people who do not have jobs. Indeed, the latest growth in worst-case housing needs has been among working families. The fact is, there is just not enough affordable housing to go around for people who earn low wages.

Despite the tremendous need, the Federal Government has been stepping back from its traditional role in helping to provide affordable housing. We are actually losing public housing units, not gaining. And there has not been funding since 1995 to expand the number of families helped by the Section 8 program, which is a program that provides financial assistance to help people rent housing on the private market.

The committee's bill takes a small step towards reversing this trend by providing funds for 17,800 new Section 8 housing vouchers, and our amendment makes that small step a little bigger by raising the number of new vouchers to 34,600.

Further, like the bill, our amendment targets those new housing vouchers to meeting a very high-priority need, helping people make the transition from welfare to work. Currently, about two-thirds of new jobs are being created in the suburbs, but three of every four welfare recipients live in central cities or rural areas. The basic purpose of the program, expanded by our amendment, is to help eliminate housing needs as an obstacle to getting and keeping jobs.

For example, families would be able to use the vouchers to move to areas where more job opportunities exist or to reduce excessively long and expensive commutes. The additional vouchers would be awarded on a competitive basis to local housing authorities. In other words, the vouchers would go to the localities who put together the best programs for using them, and HUD will be required to implement a system for tracking the use of these vouchers in evaluating the program's performance and in furthering the welfare-to-work objective.

In short, Mr. Chairman, our amendment provides a modest increase in a vital and well-structured program. I urge a yes vote on this Stokes Kennedy amendment.

Mr. LEWIS of California. Mr. Chairman, reluctantly, I rise in opposition to the amendment of my colleague.

Mr. Chairman, I believe the body knows that we have not had any significant funding for this program since 1995. The reason for that is that the voucher program essentially has been in serious disarray. It has not delivered service or money in a way that really made sense to those of us who know that we have challenges here in terms of serving poor people, but at the same time, as we try to meet those challenges, we would like to have the programs involved to work effectively.

This current year is the first year for some time we have provided significant dollars. There is some $100 million in the current fiscal year. That involves some 17,600 vouchers.

We are really taking a hard look at the way HUD is implementing this program. We want to measure whether or not they will get the job done this time. What this amendment suggests is that before that measurement actually takes place we ought to kind of double the program. We would go from 17,600 vouchers to 34,800. We would go from $100 million to $197 million.

Now while I have a good deal of empathy for what we are attempting to do here, frankly, I think we ought to deal as much as we can in the real world. The other body is more skeptical than we. They are providing some $40 million in their proposal this year, frankly, in no small part because they have

some of those questions from the past still remaining.

So I would urge the body to realize that we have only got so many dollars to go around. We ought to be conservative in connection with this in the most positive way. We want to make sure the dollars that are a part of the bill for serving people are being used well, and so let us go one step at a time here.

With that reservation in mind, thereby, I urge the body to vote no on this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the Stokes-Kennedy amendment. I also want to just take this opportunity to thank the gentleman from California (Mr. LEWIS) and the gentleman from Ohio (Mr. STOKES) for their hard work on looking out for the housing needs of our country.

Both of these gentlemen have worked together since I have been in the Congress in a way that has been, I think, very admirable.

I want to just say, as I look upon a fellow who was chairman of this subcommittee for many, many years and who is perhaps offering, if the chairman of the committee could just listen for 1 quick second here, it is perhaps the last housing amendment of the gentleman from Ohio (Mr. STOKES) that we are dealing with here. I know of the close relationship that the gentleman from California (Mr. LEWIS) and the gentleman from Ohio (Mr. STOKES) have. I would hope that maybe the opposition of the gentleman from California (Mr. LEWIS), while having been voiced, will not be too strong.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, the gentleman is attempting to soften my heart relative to my colleague here. I would prefer that he come back just a little later when we will discuss this matter much more extensively.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would be happy. We will be back later on when another amendment comes up.

But the fact is that this is an amendment that is important, and it is important for us to recognize the tremendous housing needs of this country. Of the 15 million families that are eligible for housing assistance in America today, only 3 million of them get it. That means there are 12 million families, almost 40 million people that are walking around our country, many of whom are living in cars, many of whom are living in shelters, that have no place to go.

Nobody is going to defend every housing program or every voucher program. But the truth of the matter is that when we look at the severe housing needs and the severe housing shortages of this country, it is a crying shame. Over 5 million families, almost 15 million people in our country today have what are determined to be severe housing shortages. They are paying over 50 percent of their income in rent and living in inadequate housing.

This voucher program is different than public housing. This voucher program is different than the project-based housing program. This is a voucher which you can take to any part of our country, take to any home in America and be able to rent an apartment. It is a program that works.

There is money in this bill, make no mistake about it. There is a gap in the funding levels of this bill that allows us to pay for this program. And when we look at the tremendous shortages of so many of our families, we have put a very tough welfare bill in place.

If we talk to the mayor of Philadelphia, he will tell us that with the lowering of the unemployment rate, the fact of the matter is, he has to find 47,000 new jobs for welfare recipients in the next several months. We have got to find over 2,000 jobs a week in the city of Boston. The mayor of Chicago will tell us he has got to find 164,000 jobs between now and December. The jobs simply do not exist.

If we take away the welfare benefit and we do not even provide housing, what we will be doing is sending people into homeless shelters. The homeless shelters that I have visited are at new records of participation. More and more people, in the midst of summer, at a time when traditionally people do not use homeless shelters, they are now full to the brim.

This is a crisis in America. Certainly we can study problems, but there is money in this appropriations bill that can be used to assist 100,000 more children, 100,000 more kids who are in trouble in America, who need a place to have and call a home, who need a shelter in their lives, who need a place that they can feel provides them respite from all of the ills that the rest of the world is foisting upon them.

I ask Members to reach into their conscience and to support this legislation. There is money to be able to spend on this bill and to get it done within the budgetary constraints within which the committee has found itself.

I believe that if we look at the housing shortage, if we look at a well-run housing program, there is not a better-run housing program than the voucher program. This voucher program is designed to get people from welfare to work and to give them some housing needs as that occurs. Please support this amendment.

The gentleman from Ohio (Mr. STOKES) has asked for this support. I ask for this support. I think if we get it, the gentleman from California (Mr. LEWIS) will end up going along with it.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. STOKES).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 501, further proceedings on the amendments offered by the gentleman from Ohio (Mr. STOKES) will be postponed.

Mrs. LINDA SMITH of Washington. Mr. Chairman, I move to strike the last word.

Mr. Chairman, when I came to the floor today, I had originally intended to introduce an amendment to this bill, but it is becoming very clear that there is great opposition from the leadership of Congress.

□ 1100

And it was ruled out of order in the Committee on Rules because leadership did not want this debate. I do not think it is a debate, however, that we should shirk from.

What the debate is about is just a few weeks ago, and then confirmed in the last week, we decided that we would take a big cut in veterans' health care because there was a big transportation budget coming down the tracks that needed more money. So on the end of the transportation bill, and then confirmed again at the end of the IRS bill, in the last few days, few hours, we said if a veteran ever started smoking while they were in the military, we would break our commitment to them to give them health care later in life, in their later years.

For far too long veterans have been given table scraps in Congress while we pass pork barrel bills of things not nearly as important, not nearly as honorable as funding veterans' health care or the benefits we promised. I think some Members need to think, as they look at this bill today before final passage, about what we told veterans when we went home on the Fourth of July. Many members were approached by a veteran at one of the celebrations of our freedom or one of the memorials of those lost in war or those wounded in war that we all went to, and at those we would have a veteran approach us and say, ''It was so terrible to read that veterans had a big health care cut. What will you do about it?''

And without exception, or very few I am sure, the Member of Congress would say, ''Well, it was a part of a bigger bill. The bigger bill was so important that we just had to vote for this veterans' health care cut. But when we go back, if we get a chance, we will fix this. Because it is really not very fair, is it?'' And we would apologize and then come back to Congress and, at the end of another bill, the IRS reform bill, right at the last minute, they found out the veterans' cuts were not done right in the transportation bill.

See, when we do things at the last minute, in a kind of way that is not aboveboard, that cannot be debated, we hang it on another bill. Sometimes it

does not get done very clean. And so what happens is the language was so messy, and, by the way, the President proposed the original language, so this is a bipartisan problem, that they had to bring it back up and put it on the IRS reform bill. It is called a must-pass bill. And we are told we are going to get in deep trouble if we do not vote for the IRS reform bill. So guess what? We will put it on this bill. Nothing related to veterans' health care, but they did have to reconfirm the writing and the drafting. So they put it on a must-pass bill.

Today, we have a third chance to keep our word. This is the veterans' bill. It is not just any other bill that we are hanging something on. This bill can say we made a mistake, and I am going to keep my word. If we vote for this bill, we are confirming the cut, $15 billion over 5 years.

Now, the health care portion of the V.A. budget is $17 billion a year for veterans. If we take this much money out, it is a real reduction; or, if it is not a reduction, where are we going to get the money? Are we going to take it out of housing? Are we going to go to veterans' outreach? Where will it come from? Where will it come from?

One thing we know is the veterans' population is increasing. And those about my age are the Vietnam vets. And guess what? They are getting to where things hurt. And the things we could have worked through in our 20's and 30's we cannot now necessarily do that. So they are needing to come forward and saying to us, ''I need you to keep your commitment to me; the one that you made when I served the country; the one that you made when I went back in and the recruiter said give us 2 more years. If you just come 2 more years, you will get health care.'' And what are we saying to them? We are saying to them, no, we are not going to honor that commitment ever.

When veterans got their S.P.'s in Vietnam, they got cigarettes. In the Second World War and Korea, when they were issued their provisions, they were given cigarettes. They were encouraged to smoke to release the tension. But if they did that, we are going to tell them now that we are going to break our word to them.

What I tell my colleagues is that this is the time you can keep our word to veterans. Every major veterans' group in the Nation came forward, from the littlest group to the Vietnam veterans. The Vietnam veterans are even calling our offices saying do not vote for this bill. If we are going to do the honorable thing, this is the only train this year that we can correct and put back on track. Do not vote for this bill.

The CHAIRMAN. The time of the gentlewoman from Washington (Mrs. LINDA SMITH) has expired.

(On request of Mr. OBEY, and by unanimous consent, Mrs. LINDA SMITH of Washington was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Mrs. LINDA SMITH of Washington. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I simply want to say that I agree with the gentlewoman's observations, and that is one of the reasons that I think Members ought to vote against this bill.

Again, it is not because of anything that has been done by the subcommittee, but because of what has been done by this institution previously that has put this subcommittee in this box today. And I do not think we ought to be ratifying those decisions.

Mrs. LINDA SMITH of Washington. Reclaiming my time, Mr. Chairman, in conclusion, I think this is a hard issue for a lot of people. It is hard to know how to keep our commitment. But one thing we can be sure of, if we take $15 billion out of veterans' health care over 5 years, and the VA health care budget is only $17 billion a year, we cannot keep our commitment.

This is a Democrat-Republican problem. The President started it. He even recommended we do it. They got to the days of the transportation budget and just did not have enough money for all those roads that go nowhere. So, all of a sudden, both parties and the President made a decision that veterans do not have a loud enough voice.

Today, let us think about the veterans. Let us say it is not honorable to go forward with this and let us take it back, fix it, and bring it forward. There is a lot of good things and a lot of good effort in this bill, but let us defeat it, bring it back next week, and take the veterans' health care cut out of it.

Mr. Chairman, I am submitting for the RECORD an urgent appeal from the Vietnam Veterans of America regarding this bill.

VIETNAM VETERANS OF AMERICA, INC.,
Washington, DC, July 15, 1998.

URGENT APPEAL TO ALL U.S. REPRESENTATIVES

Don't break your promise to veterans again.

You hurt veterans twice already this year with majority votes in the House and Senate to loot $15 plus billion from disabled veterans and their widows and orphans for pork barrel projects in the transportation bill. Then just last week you dishonored veterans again by voting to finalize the transfer of funds for transportation in the IRS Reform bill.

Most if not all of you promised when you marched in Independence Day parades with your veterans this July 4th that you would correct this immoral act and restore the dollars taken for disabled veterans health care and benefits.

Well, you have a third chance now, vote no on final passage of H.R. 4194, the VA/HUD Fiscal Year 1999 appropriations bill. Representative Linda Smith tried to keep your promises to veterans, but was denied even a chance to vote to restore funds for veterans in this bill.

A vote for the VA–HUD bill is a vote against veterans. Vote no on final passage.

AMENDMENT NO. 23 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer amendment No. 23.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 23 offered by Ms. JACKSON-LEE of Texas:

Page 17, line 25, insert ''(increased by $183,000,000)'' after ''$10,250,542,030''.

Page 20, line 22, insert ''(increased by $183,000,000)'' after ''$100,000,000''.

Page 24, line 2, insert ''(decreased by $183,000,000)'' after ''$3,000,000,000''.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I ask unanimous consent that the amendment be considered en bloc?

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

Mr. LEWIS of California. Mr. Chairman, I must reserve a point of order against the amendment because it would increase the level of budget authority outlays in the bill in violation of clause 2 of rule XXI.

This rule states that it shall be in order to consider en bloc amendments proposed only to transfer appropriations among objects in the bill without increasing the levels of budget authority or outlays in the bill. The amendment would increase the level of budget authority outlays in the bill and, therefore, I make a point of order.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I would say to the chairman that I intend to withdraw this amendment and would like to support the Kennedy-Stokes amendment.

The CHAIRMAN. The Chair understands the gentleman from California to be reservng a point of order.

Ms. JACKSON-LEE of Texas. It is difficult in this process to, in many instances, help our constituents who are in great need because of the various procedures that are necessary. And I do realize that in the order of the House these are important, but since my main concern is to ensure that those who need public housing and affordable housing in America are taken care of, I offered an amendment that would have added more monies to the Section 8 incremental assistance restoration program.

That program provides the opportunity for families whose incomes do not meet the Section 8 standards. Section 8 certificates allow for housing throughout the community and for it to be integrated in the community separate and apart from public housing. My interest is to ensure that those particular families have a greater opportunity.

In fact, under the current version of the bill, only 14,000 new families will be able to receive incremental assistance under Section 8, and that is 36,000 families short of the administration's proposals. In dollars and cents terms, there is a difference of $183 million between H.R. 4194 and the administration's request.

I am delighted, however, to do two things this morning: One, to pay tribute to the gentleman from Ohio (Mr. LOUIS STOKES) for his long and dedicated service in this area of public

housing and service to veterans. The gentleman from Ohio has chaired and been the ranking member of this subcommittee for many, many years, and I appreciate his dedication to the spirit and the intent of my amendment, which is to find families who are struggling in America.

In particular, my district in Houston, the City of Houston, was cited as one of the cities with the lowest number of affordable housing units. We are desperately in need of housing families who struggle every day. With that in mind, I have viewed Section 8 housing as a very important mechanism for families looking to solidify their futures.

I would offer to withdraw my amendment and support the Kennedy-Stokes amendment, which answers the question of providing vouchers to low-income families living in housing owned by private landlords. Each of these families in the program, the vouchers pay the difference between the fair market value of their accommodations and 30 percent of their income. Therefore, this program not only ensures that private landlords get their fair share in rental income, but it also phases out the federal assistance as a qualifying family's income rises. Section 8 vouchers and certificates are vitally important to the minority community. The latest figures indicate that well over half of all Section 8 assistance goes to African American and Hispanic families.

Mr. Chairman, I would simply say that we are long behind helping to house the families who are in need of Section 8. Over half of Section 8 families are headed by a single parent. With the Kennedy-Stokes amendment, I believe that we are making great headway in this legislation to assure that those families who are asking not for a hand-out, but a hand-up and a step-up, that those families in my district and in the Houston area, in particular, which has been designated, as I said earlier, as a city without a lot of affordable housing, I believe the Stokes-Kennedy amendment does answer the question.

I am very pleased to rise to support this particular amendment. If I might inquire of the gentleman from Ohio, before my time ends and before withdrawing my amendment, to make sure that my understanding is correct, is it correct that the gentleman's amendment will provide additional monies for those families, incremental monies, to help them qualify for the Section 8? Is my understanding correct regarding the provisions of the gentleman's amendment that it will add more families to the Section 8 opportunities?

Mr. STOKES. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, what precisely my amendment would do is to add additional vouchers up to the amount of $97 million, which is the requested amount by the administration, which would automatically provide additional vouchers, additional opportunities, for welfare to work for those persons who are residents of public housing.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I appreciate very much the gentleman's leadership on that issue. As he well knows, I had an additional concern about helping families raise their incomes to be eligible for Section 8. I do believe it is extremely important to answer the many waiting lists that are around the Nation where families are waiting for Section 8, and I applaud the gentleman's leadership.

I am delighted to withdraw my amendment in support of the Stokes-Kennedy amendment and thank the gentleman for his very fine leadership and thank the chairman as well for his fine leadership on this issue.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For tenant-based assistance under the United States Housing Act of 1937 to help eligible families make the transition from welfare to work, $100,000,000 from the total amount provided under this heading, to be administered by public housing agencies (including Indian housing authorities, as defined by the Secretary of Housing and Urban Development), and to remain available until expended: *Provided,* That families initially selected to receive assistance under this paragraph (1) shall be eligible to receive, shall be currently receiving, or shall have received within the preceding year, assistance or services funded under the Temporary Assistance for Needy Families (TANF) program under part A of title IV of the Social Security Act or as part of a State's qualified State expenditure under section 409(a)(7)(B)(i) of such Act; (2) shall be determined by the agency to be families for which tenant-based housing assistance is critical to successfully obtaining or retaining employment; and (3) shall not already be receiving tenant-based assistance: *Provided further,* That each application shall (1) describe the proposed program, which shall be developed by the public housing agency in consultation with the State, local or Tribal entity administering the TANF program and the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor pursuant to section 403(a)(5)(A) of the Social Security Act, and which shall take into account the particular circumstances of the community; (2) demonstrate that tenant-based housing assistance is critical to the success of assisting eligible families to obtain or retain employment; (3) specify the criteria for selecting among eligible families to receive housing assistance under this paragraph; (4) describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach; (5) include any requests for waivers of any administrative requirements or any provisions of the United States Housing Act of 1937, with a demonstration of how approval of the waivers would substantially further the objective of this paragraph; (6) include certifications from the State, local, or Tribal entity administering assistance under the TANF program and from the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor, that the entity supports the proposed program and will cooperate with the public housing agency that administers the housing assistance to assure that such assistance is coordinated with other welfare reform and welfare to work initiatives; however, if either does not respond to the public housing agency within a reasonable time period, its concurrence shall be assumed, and if either objects to the application, its concerns shall accompany the application to the Secretary, who shall take them into account in this funding decision; and (7) include such other information as the Secretary may require and meet such other requirements as the Secretary may establish: *Provided further,* That the Secretary, after consultation with the Secretary of Health and Human Services and the Secretary of Labor, shall select public housing agencies to receive assistance under this paragraph on a competitive basis, taking into account the need for and quality of the proposed program (including innovative approaches), the extent to which the assistance will be coordinated with welfare reform and welfare to work initiatives, the extent to which the application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment; and other appropriate criteria established by the Secretary: *Provided further,* That the Secretary may waive any administrative requirement or any provision of the United States Housing Act of 1937 if the Secretary determines that the waiver would substantially further the objective of the assistance under this paragraph, and in the event of any waiver, may make provision for alternative conditions or terms where appropriate: *Provided further,* That the Secretary may use up to one percent of the amount available under this paragraph, directly or indirectly, to conduct detailed evaluations of the effect of providing assistance under this paragraph.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), $3,000,000,000, to remain available until expended: *Provided,* That of the total amount, up to $100,000,000 shall be for carrying out activities under section 6(j) of such Act and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public housing programs and for lease adjustments to section 23 projects: *Provided further,* That of the amount available under this heading, up to $5,000,000 shall be for the Tenant Opportunity Program: *Provided further,* That all balances, as of September 30, 1998, of funds heretofore provided for section 673 public housing service coordinators shall be transferred to and merged with amounts made available under this heading.

PUBLIC HOUSING OPERATING FUND

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $2,818,000,000, to remain available until expended.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

For grants to public housing agencies and tribally designated housing entities for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $290,000,000, to remain available until expended, of which $10,000,000 shall be for grants, technical assistance, contracts and other assistance, training, and program assessment and execution for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including the cost of necessary travel for participants in such training); $10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector General of the Department of Housing and Urban Development; and $10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home: *Provided further,* That the term ''drug-related crime'', as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: *Provided further,* That notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition (including appropriate homeownership down payment assistance for displaced tenants), $600,000,000, to remain available until expended, of which the Secretary may use up to $10,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: *Provided,* That no funds appropriated under this heading shall be used for any purpose that is not provided for herein, in the United States Housing Act of 1937, in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, 1997, and 1998, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996: *Provided further,* That for purposes of environmental review pursuant to the National Environmental Policy Act of 1969, a grant under this head or under prior appropriations Acts for use for the purposes under this head shall be treated as assistance under title I of the United States Housing Act of 1937 and shall be subject to the regulations issued by the Secretary to implement section 26 of such Act: *Provided further,* That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104–330), $620,000,000, to remain available until expended, of which $6,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to $200,000 for related travel: *Provided,* That of the amount provided under this heading, $6,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: *Provided, further,* That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided, further,* That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed $54,600,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $200,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees: *Provided,* That the funds made available in the first proviso in the preceding paragraph are for a demonstration on ways to enhance economic growth, to increase access to private capital, and to encourage the investment and participation of traditional financial institutions in tribal and other Native American areas.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), $6,000,000, to remain available until expended: *Provided,* That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $68,881,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $400,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), $225,000,000, to remain available until expended*: Provided,* That up to 1 percent of such funds shall be available to the Secretary for technical assistance.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFER OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the ''Act'' herein) (42 U.S.C. 5301), $4,725,000,000, to remain available until September 30, 2001: *Provided,* That $67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act; $3,000,000 shall be available as a grant to the Housing Assistance Council; $1,800,000 shall be available as a grant to the National American Indian Housing Council; $50,000,000 shall be for grants pursuant to section 107 of the Act; $20,000,000 shall be for grants pursuant to the Self Help Housing Opportunity program, subject to authorization: *Provided further,* That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available under the preceding proviso to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for ''Planning and Management Development'' and ''Administration'' as defined in regulations promulgated by the Department.

Of the amount made available under this heading, $20,000,000 shall be available for Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects: *Provided,* That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

Of the amount made available under this heading, $30,000,000 shall be made available for ''capacity building for community development and affordable housing'', as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103–120), with not less than $10,000,000 of the funding to be used in rural areas, including tribal areas, to be divided equally among four entities, as specified in the report of the Appropriations Committee accompanying this Act.

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to $50,000,000 for a public and assisted housing self-sufficiency program, of which up to $5,000,000 may be used for the Moving to Work Demonstration, and at least $20,000,000 shall be used for grants for service coordinators and congregate services for the elderly and disabled: *Provided,* That for self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian tribes and their tribally designated housing entities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals: *Provided further,* That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: *Provided further,* That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated education, training, and other supportive services, including case management skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development

and support programs, such as transportation, and child care: *Provided further,* That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: *Provided further,* That the Secretary shall select public and Indian housing agencies to receive assistance under this heading on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary (except that this proviso shall not apply to renewal of grants for service coordinators and congregate services for the elderly and disabled).

Of the amount made available under this heading, notwithstanding any other provision of law, $35,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: *Provided,* That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding.

Of the amount made available under this heading, $50,000,000 shall be available for the Economic Development Initiative (EDI).

Of the amount made available under this heading, $25,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, and to determine whether housing benefits can be integrated more effectively with welfare reform initiatives.

For the cost of guaranteed loans, $29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974: *Provided further,* That in addition, for administrative expenses to carry out the guaranteed loan program, $1,000,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), as amended, $1,600,000,000, to remain available until expended: *Provided,* That up to $7,000,000 of these funds shall be available for the development and operation of integrated community development management information systems: *Provided further,* That up to $10,000,000 of these funds shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968.

HOMELESS ASSISTANCE GRANTS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), $975,000,000, to remain available until expended: *Provided,* That permanent housing assisted under the supportive housing program with amounts provided under this heading in this Act shall be given to chronically homeless individuals and families who have, or who include members who have, chronic disabilities, including substance and alcohol abuse, and mental illness and other chronic health conditions: *Provided further,* That any permanent housing assisted under this heading shall be provided only if supportive services are linked to the individuals living in the housing: *Provided further,* That the Secretary of Housing and Urban Development shall conduct a review of any balances of amounts provided under this heading in this or any previous appropriation Act that have been obligated but remain unexpended and shall deobligate any such amounts that the Secretary determines were obligated for contracts that are unlikely to be performed: *Provided further,* That up to 1% of the funds appropriated under this heading may be used for technical assistance and tracking systems needed to carry out the directive provided in the Committee Report.

HOUSING FOR SPECIAL POPULATIONS

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low-income families under the United States Housing Act of 1937, as amended (42 U.S.C 1437), not otherwise provided for, $839,000,000, to remain available until expended: *Provided,* That of the total amount provided under this heading, $645,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under section 202(c)(2) of the Housing Act of 1959, and for supportive services associated with the housing; and $194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: *Provided further,* That the Secretary may designate up to 25 percent of the amounts for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance shall be for five years in duration: *Provided further,* That the Secretary may waive any provision of section 202 of the Housing Act of 1959 or section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the respective objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 1998, and any collections made during fiscal year 1999, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1999, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $110,000,000,000.

During fiscal year 1999, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed $50,000,000: *Provided,* That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, $328,888,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed $324,866,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed $4,022,000 shall be transferred to the appropriation for the Office of Inspector General.

In addition, for non-overhead administrative expenses necessary to carry out the Mutual Mortgage Insurance guarantee and direct loan program, $200,000,000, to be derived from the FHA-mutual mortgage insurance guaranteed loan receipt account.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z–3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), $81,000,000, to remain available until expended: *Provided,* That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to $18,100,000,000.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed $50,000,000; of which not to exceed $30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed $20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, $211,455,000, of which $193,134,000, shall be transferred to the appropriation for departmental salaries and expenses; and of which $18,321,000 shall be transferred to the appropriation for the Office of Inspector General.

In addition, for non-overhead administrative expenses necessary to carry out the guaranteed and direct loan programs, $104,000,000.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year 1999, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $150,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, $9,383,000, to be derived from the GNMA-guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed $9,383,000 shall be transferred to the appropriation for departmental salaries and expenses.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z–1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $47,500,000, to remain available until September 30, 2000, of which $10,000,000 shall be for activities to support the Partnership for Advanced Technologies in Housing.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $40,000,000, to remain available until September 30, 2000, of which $23,500,000 shall be to carry out activities pursuant to such section 561: *Provided*, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

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Mr. STOKES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to speak briefly about the Fair Housing Initiatives Program and particularly about my understanding of the committee's intent with respect to use of funds for this program.

The Fair Housing Initiatives Program, known as FHIP, provides grants to nonprofit organizations and local government agencies to aid in the promotion of fair housing. These grants are used for education, for outreach efforts, for investigation of possible violations, for conciliation of complaints and other similar purposes.

FHIP guarantees to address the full range of prohibited discrimination in sale and rental of housing and provision of housing-related services, including discrimination based on race, discrimination based on sex, discrimination against people with disabilities, and discrimination against families with children.

Unfortunately, this kind of housing discrimination still exists in our Nation. And, for this reason, I am pleased to report that our committee has been able to provide a portion of the funding increase requested by the administration for the FHIP program.

In funding this program, our subcommittee has taken note of a controversy surrounding the application of our Federal Fair Housing laws to discrimination in the provision of property insurance. Now, I and many others believe that there should be no doubt that the Fair Housing Act prohibits that kind of discrimination. Without access to insurance, they are not going to get a mortgage and they are not going to be able to buy a home. This position has been consistently taken by HUD and the Justice Department throughout both Republican and Democratic administrations and has been reaffirmed by the courts.

However, some still raise doubts and maintain that FHIP funds should not be available to address discrimination in the provision of property insurance. In the spirit of compromise, we worked out an agreement on this issue last year. That agreement proved workable in fiscal year 1998 and is repeated in the committee's report language on this bill.

In essence, the committee agreed that FHIP grants should not be awarded for any single-purpose enforcement initiatives. In other words, funds should not be used to make grants for enforcement efforts targeted to any narrow category of discrimination, whether that category is discrimination in provision of insurance or any other particular form of discrimination. Rather, FHIP funds are to be used for activities addressing a broad range of conduct prohibited by the Fair Housing Act.

In the view of HUD, the Justice Department and the courts, that broad range of prohibited conduct includes discrimination in the provision of insurance. And FHIP grantees are free to use their funds to address such discrimination as long as they do so in the context of a broadly based fair housing enforcement program.

Mrs. CHENOWETH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, one of the oldest tactics of argument is the shotgun approach. In debate, they bombard their opposition with a flurry of arguments in the hopes that somewhere along the line one of their points will ring true.

In football, an all-out blitz gives the defense the very best odds that somebody will sack the quarterback. But, Mr. Chairman, the appropriations process in the Congress is not a high school debate, and it is not a football game. Instead, it should be a solemn responsibility of the elected representatives of this great Nation to determine the just allocation of the hard-earned money of our Nation's taxpayers.

We do not have a fair and honest debate on individual departments or programs. Instead, in the VA-HUD appropriations bill, we will have alphabet soup, an approach to government.

Let me just read to my colleagues some of the names of the agencies that we are dealing with: HUD, EPA, CEQ, OEQ, FDIC, FEMA, NASA, NSF, ABMC, CSHIB. Mr. Chairman, I am sure my colleagues get my point. It goes on and on and on. Why are we forced to vote in favor of increased funding for agencies like HUD in order to just get funding for our veterans and complete our promises?

Let me demonstrate my point. I asked for a seat on the Committee on Veterans' Affairs in the 105th Congress in order to be in a position of advocacy for these great Americans. Less than a month ago, two chairmen of the Committee on Veterans' Affairs joined with me to hold a field hearing in my district to determine the methods of improving veterans' health care. Both chairmen and I came out of that hearing with a clear idea about the steps that Congress and the VA needs to take to ensure that we keep our promises as a Nation to the veterans to provide the health care we promised.

So, in theory, all I would have to do is look at the recommendations from the Subcommittee on VA, HUD and Independent Agencies to ensure that the necessary programs are funded at the appropriate levels. Well, instead, I have to vote to fund the VA in conjunction with some 20 other programs in order to guarantee the VA is funded. This is offensive, Mr. Chairman.

But I also have other concerns about the VA-HUD appropriation bill. This bill appropriates $94.4 billion in new budget authority, $94.4 billion. It increases spending by $4.4 billion over 1998. But what concerns me most about this increase in spending is that not one penny of the increases will go to the veterans' medical care. Over $4 billion of new spending and we are not going to spend one new dime to provide the necessary medical care. Yes, we spent new money for administrative care, but not new money for the kind of medical care we need for our veterans.

This bill also makes no provision for the mandatory cost-of-living adjustment for our veterans' benefits. We provided for everyone else, but what about our veterans? Again, there is an increase of more than $4 billion in spending from last year, but that does not include the necessary COLA for our veterans.

Earlier this year, we voted to take billions of dollars from veterans' programs and use them to fund transportation projects. Instead of trying to right the wrong, we are increasing spending for HUD and EPA and CEQ and not for the veterans' medical care.

Additionally, this bill cuts funding for the maintenance of war memorials, our national cemeteries, and Arlington National Cemetery, our finest symbol of honor and valor in this country.

Mr. Chairman, I recognize the need for fiscal responsibility. However, this is not being responsible, increasing HUD by the degree that we are and forgetting our veterans. We should not balance the budget on the back of our

veterans. They should be a priority because we made that promise, not an afterthought.

I urge a no vote on H.R. 4194.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last requisite number of words.

Mr. Chairman, I must say to my colleagues in the House that the description made of our bill a moment ago is so far from being a reflection of the work of this committee that I cannot help but respond.

This committee has been a part of that significant effort to reduce patterns of growth in the Government across the board. We have reduced patterns of growth in every category except the veterans' category. This subcommittee has consistently adjusted funding for veterans in a positive way. In a bipartisan way, we have expressed our concern about veterans and indeed have made significant strides in the direction of improving the quality of care delivered to veterans across the country.

The CHAIRMAN (Mr. COMBEST). The Clerk will read.

The Clerk read as follows:

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, $80,000,000 to remain available until expended, of which $2,500,000 shall be for CLEARCorps and $20,000,000 shall be for a Healthy Homes Initiative, which shall be a program pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related environmental diseases and hazards.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development not otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, $985,826,000, of which $518,000,000 shall be provided from the various funds of the Federal Housing Administration, $9,383,000 shall be provided from funds of the Government National Mortgage Association, $1,000,000 shall be provided from the ''Community Development Grants Program'' account, $200,000 shall be provided from the ''Native American Housing Block Grants'' account, and $400,000 shall be provided from the ''Indian Housing Loan Guarantee Fund Program Account''.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $81,910,000, of which $22,343,000 shall be provided from the various funds of the Federal Housing Administration and $10,000,000 shall be provided from the amount earmarked for Operation Safe Home in the ''Drug Elimination Grants for Low-Income Housing'' account.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, $16,551,000, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: *Provided,* That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further,* That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than $0.

Mrs. KELLY. Mr. Chairman, I move to strike the last word.

I would like to join the gentleman from California (Mr. LEWIS) in a colloquy.

Chairman LEWIS, I apologize for not being here during the time that you were discussing title I of this bill. Other business kept me from the House floor.

But, as you know, I and a number of my colleagues in New York and New Jersey have been very concerned over reports of substandard care amount our veterans' hospitals with Veterans Integrated Service Network 3.

An investigation by the VA's Office of Medical Inspector confirmed over 158 separate health and safety violations at the VISN 3 facilities. Of added concern was the fact that these problems coincided with the funding cuts required by the implementation of the Veterans Equitable Resource system, or VERA.

While the Office of Medical Inspector was identifying so many problems related to the care and services of our veterans, the VISN 3 director transferred an additional $20 million over and above what was required by VERA back to Washington. This action may have satisfied a budgetary goal, but it is completely inconsistent with the goal of quality veterans care, which should be the core mission of the VA.

With your leadership, Mr. Chairman, the committee included report language to accompany the Fiscal Year 1999 VA–HUD appropriations bill to urge the VA Secretary to provide VISN 3 with a one-time credit of $20 million, ensuring that this funding remains in the Network to address the problems noted in the OMI's report. Unfortunately, public statements by the VA have suggested that the agency may not carry out the committee's wishes as set forth by the report.

Mr. Chairman, is it your intention that the VA will carry out the will of the committee as dictated by the report language?

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from California.

Mr. LEWIS of California. The gentlewoman from New York (Mrs. KELLY) correctly characterizes the nature of the problems in VISN 3, and I would like to assure her that it is my intention that the VA comply with the directive included in the report to provide VISN 3 with a one-time credit of $20 million.

To further address her concerns, I have a letter from VA Deputy Secretary Gober which clarifies that it is his agency's policy to honor appropriations report language.

Mr. GILMAN. Mr. Chairman, I rise today in support of the colliquy taking place between subcommittee Chairman LEWIS and my colleague from New York, Representative KELLY.

Earlier this year, a General Accounting Office study, which had been requested by the New York delegation, revealed that the director of VISN–3 had returned $20 million from his FY '97 budget to Washington at a time when the VA Office of the Medical Inspector was finding more than 156 separate health and safety violations at two of the VISN's eight hospitals.

No other VISN, Mr. Speaker, returned any money from their FY '97 budget to Washington. Leaving the timing of the decision aside, central VA authorities, at the very least, should have credited VISN–3 with making additional contributions to VERA requirements ahead of time. Regrettably, this was not the case, and essentially, VISN–3 received absolutely nothing for returning these funds.

VISN–3 has been the one network hardest hit by the VERA realignment. While we in Congress are awaiting the final report of the GAO on the effects of VERA on the quality of care being delivered in VISN–3, it is safe to conclude that VERA has not improved matters.

Furthermore, while it may have been inappropriate for the VISN director to send back such a large sum of money at a time when so many infra-structural and staffing problems were surfacing, the fact remains that the VISN should have benefited from its director's ''thriftiness.'' That it did not is a gross injustice, one which the VA should now correct to assure quality care for our Veterans.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to add to the comments made in the colloquy between the gentleman from California (Mr. LEWIS) and the gentlewoman from New York (Mrs. KELLY).

First of all, let me thank the gentlewoman from New York (Mrs. KELLY) and the gentlewoman from my own State of New Jersey (Mrs. ROUKEMA) for their leadership relative to getting back from Washington the money that was sent back by the VISN 3 director, Jim Farsetta, from the New York and New Jersey region.

□ 1130

Their leadership has been wonderful and entirely appropriate.

Only 2 weeks ago, Mr. Chairman, I learned in my district office in New Jersey from the top brass of that VISN, that Veterans Integrated Service Network, from the lips of James Farsetta, who is the director, as well as Kim Mizarch, who heads up the combined veterans hospitals in New Jersey, that the VA, if that money comes back to

New York and New Jersey, that $20 million that was inappropriately sent back to Washington, that the VISN leadership would use that to pay the retirement packages for employees that will be retiring from hospitals in the New York and New Jersey region.

That is entirely inappropriate. If, in fact, that money comes back to New York and New Jersey, it ought to be used to increase the health care access and programs, as the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentlewoman from New York (Mrs. KELLY) and myself and other members of the delegation, both Democrats and Republicans, would seek. The thought of using that money for retirement packages flies in the face of everything we have learned about the way our system is run and, quite honestly, quality of care issues are definitely in effect in that that money ought to be used for medical care for the veterans, not for retirement packages.

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, I want to express my appreciation for gentleman's leadership on this subject; of course, for the gentlewoman from New York (Mrs. KELLY). We all share the same needs in the New York-New Jersey area for veterans.

I also want to enter into this colloquy because it is most essential, what the gentleman has just said and what I stated earlier in the general debate, that the committee has got to force the compliance with the VA under the conditions of this legislation and the conditions under which the $20 million is being allocated. And I am happy to hear, I had not known until just recently, about this conversation or discussion the gentleman had with Farsetta.

Mr. FRELINGHUYSEN. Director Farsetta.

Mrs. ROUKEMA. The director, but I am very pleased to learn of the letter that the gentleman from California (Mr. LEWIS) has just identified and the stated intentions. This colloquy and the language in the appropriations bill should be ample evidence that they have to comply with the intentions of Congress,, and I really commend the gentleman for his leadership.

I want to continue to working with the gentleman, Mr. Chairman. We will be the watchdogs on this issue.

Mr. FRELINGHUYSEN. Reclaiming my time, I yield to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Chairman, I simply want to concur in what the gentleman said, and I want to emphasize that the money should go, as we all expected it to go, into high-quality medical care for the veterans. They deserve nothing less.

Mrs. ROUKEMA. Precisely.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield to the gentleman from New York (Mr. SOLOMON), chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Chairman, I will make it very fast.

I just want to commend the gentleman from New Jersey (Mr. FRELINGHUYSEN), and certainly the gentlewoman from New Jersey (Mrs. ROUKEMA), particularly the gentlewoman from New York (Mrs. KELLY), my neighbor.

As a former ranking member of the Committee on Veterans Affairs, the money ought to go to medical care delivery. That is where the shortage is. And I appreciate, believe me, the support of the gentleman from California (Mr. LEWIS) because he has always been a great supporter of the veterans, and with this help now we will see that it happens.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ADMINISTRATIVE PROVISIONS

PUBLIC AND ASSISTED HOUSING RENTS, PREFERENCES, AND FLEXIBILITY

SEC. 201. (a) Section 402(a) of The Balanced Budget Downpayment Act, I (Public Law 104–99; (110 Stat. 40)) is amended by striking ''fiscal years 1997 and 1998'' and inserting ''fiscal years 1997, 1998, and 1999''.

(b) Section 402(f) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437aa note) is amended by inserting before the period at the end the following: '', except that subsection (d) and the amendments made by such subsection shall also be effective for fiscal year 1999''.

(c) PUBLIC HOUSING FUNDING FLEXIBILITY.—Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note), is amended to read as follows:

''(2) APPLICABILITY.—Section 14(q) of the United States Housing Act of 1937 shall be effective only with respect to assistance provided from funds made available for fiscal year 1999 or any preceding fiscal year, except that the authority in the first sentence of section 14(q)(1) to use up to 10 percent of the allocation of certain funds for any operating subsidy purpose shall not apply to amounts made available for fiscal years 1998 and 1999.''

DELAY REISSUANCE OF VOUCHERS AND CERTIFICATES

SEC. 202. Section 403(c) of The Balanced Budget Downpayment Act, I (Public Law 104–99; (110 Stat. 44)) is amended—

(1) by striking ''fiscal years 1996, 1997, and 1998'' and inserting ''fiscal years 1996, 1997, 1998, and 1999'';

(2) by striking ''1997 and October'' and inserting ''1997, October''; and

(3) by inserting before the semicolon the following: '', and October 1, 1999 for assistance made available during fiscal year 1999''.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS

SEC. 203. (a) ELIGIBILITY.—Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 1999 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 1999 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 do not have the number of cases of acquired immunodeficiency syndrome required under such clause.

(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 1999 in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) ENVIRONMENTAL REVIEW.—For purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.) from amounts provided under this or prior Acts shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), and shall be subject to the regulations issued by the Secretary to implement such section. Where the grantee under the AIDS Housing Opportunity Act is a nonprofit organization and the activity is proposed to be carried out within the jurisdiction of an Indian tribe or the community of an Alaska native village, the role of the State or unit of general local government under sections 305(c)(1)–(3) of such Act may be carried out by the Indian tribe or Alaska native village instead.

DRAWDOWN OF FUNDS

SEC. 204. Section 14(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437l(q)(1)) is amended by inserting after the first sentence the following sentence: ''Such assistance may involve the drawdown of funds on a schedule commensurate with construction draws for deposit into an interest earning escrow account to serve as collateral or credit enhancement for bonds issued by a public agency for the construction or rehabilitation of the development.''.

ISSUANCE OF CERTIFICATES AND VOUCHERS TO SINGLE PERSONS

SEC. 205. (a) CERTIFICATE PROGRAM.—Section 8(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(1)) is amended by inserting after the third sentence the following new sentence: ''The maximum monthly rent for a single person (other than an elderly person or person with disabilities, if such elderly person or person with disabilities is living with one or more persons determined under the regulations of the Secretary to be essential to such person's care or well-being) receiving tenant-based rental assistance in the certificate program under subsection (b)(1) shall not exceed by more than the amount permitted under the second sentence of this paragraph the fair market rental for an efficiency unit, except that the Secretary, or the public housing agency in accordance with guidelines established by the Secretary, may determine not to apply the limitation in this sentence if there is an insufficient supply of efficiency units in the market area or if necessary to meet the needs of persons with disabilities.''.

(b) VOUCHER PROGRAM.—Section 8(o) of such Act (42 U.S.C. 1437f(o)) is amended by inserting the following at the end of paragraph (1): ''The payment standard for a single person (other than an elderly person or person with disabilities, if such elderly person or person with disabilities is living with one or more persons determined under the regulations of the Secretary to be essential to such person's care or well-being) shall be based on the fair market rental for an efficiency unit, except that the Secretary, or

the public housing agency in accordance with guidelines established by the Secretary, may determine not to apply the limitation in this sentence if there is an insufficient supply of efficiency units in the market area or if necessary to meet the needs of persons with disabilities.''.

(c) APPLICABILITY.—This section shall take effect 60 days after the later of October 1, 1998 or the date of enactment of this Act.

ELIMINATION OF SHOPPING INCENTIVE FOR VOUCHER FAMILIES WHO REMAIN IN SAME UNIT UPON INITIAL RECEIPT OF ASSISTANCE

SEC. 206. (a) Section 8(o)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(2)) is amended by inserting the following new sentence at the end: ''Notwithstanding the preceding sentence, for families being admitted to the voucher program who remain in the same unit or complex, where the rent (including the amount allowed for utilities) does not exceed the payment standard, the monthly assistance payment for any family shall be the amount by which such rent exceeds the greater of 30 percent of the family's monthly adjusted income or 10 percent of the family's monthly income.''.

(b) This section shall take effect 60 days after the later of October 1, 1998 or the date of enactment of this Act.

RENEGOTIATION OF PERFORMANCE FUNDING SYSTEM

SEC. 207. Section 9(a)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(A)) is amended—

(1) by inserting after the third sentence the following new sentence to read as follows: ''Notwithstanding the preceding sentences, the Secretary may revise the performance funding system in a manner that takes into account equity among public housing agencies and that includes appropriate incentives for sound management.''; and

(2) in the last sentence, by inserting after ''vacant public housing units'' the following: '', or any substantial change under the preceding sentence,''.

CDBG AND HOME EXEMPTION

SEC. 208. The City of Oxnard, California may use amounts available to the City under title I of the Housing and Community Development Act of 1974 and under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act to reimburse the City for its cost in purchasing 19.89 acres of land, more or less, located at the northwest corner of Lombard Street and Camino del Sol in the City, on the north side of the 2100 block of Camino del Sol, for the purpose of providing affordable housing. The procedures set forth in sections 104(g) (2) and (3) of the Housing and Community Development Act of 1974 and sections 288 (b) and (c) of the Cranston-Gonzalez National Affordable Housing Act shall not apply to any release of funds for such reimbursement.

AMENDMENT NO. 9 OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment that was printed in the RECORD.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. VENTO:

Page 52, after line 2, insert the following new section:

LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP

SEC. 210. (a) NOTICE OF PREPAYMENT OR TERMINATION.—Notwithstanding section 212(b) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4102(b)) or any other provision of law, during fiscal year 1999 and each fiscal year thereafter, an owner of eligible low-income housing (as defined in section 229 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4119)) that intends to take any action described in section 212(a) of such Act (12 U.S.C. 4102(a)) shall, not less than 1 year before the date on which the action is taken—

(1) file a notice indicating that intent with the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located; and

(2) provide each tenant of the housing with a copy of that notice.

(b) Exception.—The requirements of this section do not apply—

(1) in any case in which the prepayment or termination at issue is necessary to effect conversion to ownership by a priority purchaser (as defined in section 231(a) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4120(a)); or

(2) in the case of any owner who has provided notice of an intended prepayment or termination on or before July 7, 1998, in accordance wit the requirements of section 212(b) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4102(b)).

Mr. LEWIS of California. Mr. Chairman, I reserve a point of order on the amendment.

Mr. VENTO. Mr. Chairman, I appreciate the gentleman reserving his point of order.

There is a similar amendment that has been passed to mine which provides 1 year notice for persons residing in assisted housing where there is an exercised option by the owner to, in fact, terminate the assisted or Section 8 type of support to such housing. This is a problem of immediate concern that is causing a crisis across the Nation.

The fact is that in 1989 in the LIHPRA legislation that was enacted, there was a provision for prenotification of the option to exercise termination of such contract. But that has not been implemented, and, as my colleagues are aware and I am very concerned about, there is not funding for the Low-income Housing Preservation Resident Ownership Program in this legislation, and what we hope to do is at least try to provide this notice so that individuals who are receiving only, in some cases only 30 days and others 60 days notice, are not receiving much notification, that they, in fact, would have that. I suppose optimally, if they have a year, they would have a chance to really restructure this and to do something to, in fact, maintain this low-income housing.

While it is important nationwide with hundreds of thousands of units of low-income housing being converted, it is especially important in our State of Minnesota where nearly 10 percent of the low-income housing is affected by this provision.

So this prepayment notice provision has been added to the Senate bill by our senior Senator, and we hope that that will be looked at in conference. At the very least we would like the option to offer it at this time, but the rule obviously, while making great provisions for other measures to be offered on the floor that have, I think, much less relevance and relationship to the appropriation process, has decided not to do so for us.

Mr. Chairman, I yield to the gentleman from Minnesota (Mr. SABO), my colleague and a member of this subcommittee.

Mr. SABO. Mr. Chairman, I congratulate the gentleman from Minnesota (Mr. VENTO) on an excellent amendment.

As I understand the gentleman's amendment, it requires notice to both the residents and the local governments.

Mr. VENTO. Yes, it does, and I continue to yield to the gentleman.

Mr. SABO. That is very crucial for 2 reasons: one, so that the residents have some advance knowledge that their status may change, and also so the local governments may know that the status of buildings are going to change so that there is some potential for negotiating, maybe even negotiating change of ownership. And I had one big project where they were able to work out a nonprofit ownership of a building where the owner wanted to refinance so they could continue as low-income housing.

And so I just think this is a very important amendment, and let me add that it is one part of dealing with what is a growing problem in our country, and that is the lack of affordable housing. Clearly the expansion of vouchers helps, and I strongly support the Stokes amendment to add more vouchers. But we have a problem that goes beyond that in our area in Minnesota, and that is that we have very, very low vacancy rates, and the problem is that people lose their vouchers, and there is no place to go. We desperately in this country need to build more housing that is available for low-income people. The vouchers are good, but, if there is no housing to use them with, they fail their purpose.

And so we really need to be fair to local governments, to residents, to have the kind of notice that my friend, the gentleman from Minnesota (Mr. VENTO), is suggesting, but we also need more vouchers for people who have low income, but we also need to get serious about producing more housing that is available for low-income families in this country. It is a problem that exists not only in our urban area, but in most rural parts of our State.

So I thank the gentleman for his very good amendment. I understand the procedural problems we have today, but I would urge the subcommittee to look kindly on such a proposal in conference.

Mr. VENTO. Mr. Chairman, I thank the gentleman for his comments and would just point out that this problem that with the notification of local governments with the State can, in fact, have a very salutary effect because our State, as an example, has appropriated $10 million to, in fact, try to respond to the inadequate Federal funding.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. VENTO) has expired.

(On request of Mr. SABO, and by unanimous consent, Mr. VENTO was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, I thank the gentleman for the additional time, and I will be brief, but I was going to point out that the State had provided dollars in the cities and communities in which they lie. Minnesota was very quick to pick up on the assisted housing program that was enacted and put in place in the early 1970s. The consequence is that we have a significant concentration of assisted housing, and this assisted housing program worked very well in Minnesota, like a lot of other public programs and other initiatives that not always have an even affect across the country, but things seem to work very well there in terms of what we are doing.

And the State has made this commitment, I think the various cities and communities, and what is happening is some of the best low-income housing that has a market approach without a certain contract with regards to Section 8, my colleagues, and those contracts for 1 year are somewhat uncertain, and without the type of notice requirements and the implementation of LIHPRA, we are losing it. So we basically have a crisis.

Mr. Chairman, I further yield to the gentleman from Minnesota (Mr. SABO), my colleague from the Fifth District in Minneapolis.

Mr. SABO. Mr. Chairman, I think our history has been that whatever problems exist nationally have not existed in most of these projects and programs in our State, and they worked very well. They provided very good housing, and are widely used, and people who live there like them and would like to be able to stay.

At some point I would like to ask the chairman of the subcommittee a question, and I am not sure if it is appropriate.

Mr. VENTO. Mr. Chairman, I yield to the gentleman from California (Mr. LEWIS) for that particular purpose and response.

Mr. SABO. Mr. Chairman, if the gentleman would yield, my understanding is that one of the things that helps remedy the situation are the so-called sticky vouchers which can be used where these projects are converted.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. VENTO) has again expired.

(By unanimous consent, Mr. VENTO was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, I yield to the gentleman from Minnesota (Mr. SABO).

Mr. SABO. My understanding is that under this bill sticky vouchers can be used for renewal after the first year.

Mr. VENTO. Mr. Chairman, I yield to the gentleman from California (Mr. LEWIS), chairman of the subcommittee.

Mr. LEWIS of California. The gentleman is correct.

Mr. VENTO. Mr. Chairman, this amendment would provide tenants and state or local officials with fair notice that the federally insured mortgages for buildings in which they live or that are in their communities, are going to be prepaid. In being prepaid, the building will no longer be a part of the subsidized housing stock and the tenants will likely have to move or pay large increases in rent.

In the late 80's and 90's as the threat of prepayment began to loom large on the horizon, we worked and enacted laws that would help preserve as many units as possible as subsidized or affordable housing. We attempted to create incentives for owners to remain in programs or for them to sell to nonprofits or others who would maintain the affordable housing mission.

We enacted the Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA). However, funds have not been allocated for LIHPRHA since FY 1997 and the provisions of LIHPRHA which provide fair notice, plans of action and tenant displacement assistance appear not to be being enforced by HUD when owners prepay.

Significantly, this has very negatively affected the jurisdictions in which those housing units exist and especially the tenants of the buildings.

This has been devastating for tenants who are often elderly or disabled persons living on fixed incomes. They are receiving 60 or sometimes only 30 days notice that their entire lives are going to disrupted, supportive neighbors and friends lost, and possibly their proximity to doctors or services that they need eliminated. Worse still, in many markets, including the Twin Cities of St. Paul and Minneapolis, there is no where to go. Vouchers if any help but, our vacancy rate is very low. There is not enough affordable housing to go around there or other parts of the country as the 5.3 million American households in substandard housing or paying over 50 percent of their incomes can tell you.

This amendment can help real people deal with traumatic changes in the lives in an orderly and reasonable fashion. It will only require a little extra notice. That could make some difference for people for whom the very thought of a search for a new home could overwhelm them.

Mr. Speaker, in my state of Minnesota, they were able to come up with a new law this year that would provide $10 million for each of the next two years to help preserve some of these building at risk of prepayment. I intend to introduce very soon legislation that would provide a federal match to state programs that step up to the plate and try to save federally assisted affordable housing in their borders.

My amendment today will help responsible governments and tenants with timely notice that could help them preserve some of the housing in Minnesota and elsewhere. In Minnesota, the Minnesota State Housing Agency is estimated that 10 percent of that low income housing stock, some 5,000 units are at risk. We have a national housing crisis on our hands and Congress must face it, fairly and squarely now and in the future. Support my amendment as a first step back into dealing with the housing crisis and do what Congress can do to make certain that residents of assisted housing have adequate notice and time to respond to the eviction from their homes.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California press his point of order?

Mr. LEWIS of California. Mr. Chairman, I make a point of order against the Vento amendment because it proposes to change existing law and constitutes legislation in an appropriation bill, and therefore violates clause 2 of rule XXI.

The rule states in pertinent part that no amendment to a general appropriations bill shall be in order if changing existing law. This amendment, by requiring owners of Preservation-eligible properties to provide 1 year notice of prepayment to tenants and State and local governments, imposes additional duties and constitutes, therefore, legislation in an appropriation bill.

I ask for a ruling of the Chair.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

Mr. VENTO. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know we are all eager to conclude, but I did feel the need to speak. We have had a number of amendments today, and I find myself in the unusual position, as someone who has been on the Subcommittee on Housing for 18 years, of not really being able to enthusiastically get involved in the amendment process because some things are beyond repair, and this bill is one of them. It is no reflection on either the chairman or the ranking member. They have, in my experience, done in the past and continue to do an excellent job with what they are given to work with.

□ 1145

The gentleman from California and the gentleman from Ohio I think have been sensitive and thoughtful in their responsibilities as leaders of the appropriations subcommittee. But what they have been given to work with in this bill is a disgrace. There is hardly an aspect of this important appropriations bill which comes close to being adequately funded, and we ought to be clear that this is a reflection of the outrageous, crabbed, insensitive, socially-destructive priorities that are now governing this Congress.

What is particularly interesting, I think, is that there are probably 80 percent of the Members who have told some group that, yes, they wish we could have given them more money in veterans' health, in Section 8 housing, in brownfields, in the cleanup of Superfund sites. Everybody here, close to everybody, is for more money. But, in fact, we will be disappointing interest after interest, legitimate interests, because of a crabbed and insensitive set of priorities.

There simply is no way to improve this bill. The gentlemen who run the

committee have done as good a job as they can with the extraordinarily meager resources they are given, so as we amend here, we are reduced to not even robbing Peter to pay Paul, we are reduced to mugging Peter to pay Paul's burial expenses, because this bill systematically degrades and destroys and diminishes valuable government programs.

Let us be very clear, this is a bill inadequate to help with our housing crisis. This is a bill which will leave people in need of housing, hard-working families, people who are being told to get off welfare and get jobs, it will leave them in a worse crisis, because they will, in many parts of this country, not be able to afford housing. It will leave the environmental problems of the country worse off. It will deprive veterans of this country of health care they need to have.

What are we being told we will then do? We are going to cut taxes. We have a surplus, and we are told, particularly on the other side, that we should rejoice because there is this great surplus.

I do rejoice that we are generating more money, but is not a nickel to go to the veterans who have already lost health care? Is nothing to go alleviate a housing crisis which this bill will make worse? Is nothing out of that even worth considering to deal with environmental problems which go undone?

Members here, I guess I would at least ask for this, Members who have said this is the best we can do for the environment, for housing and for veterans, and we have to cut taxes, please have the decency not to tell people how much you wish you could have helped them. Please have the decency not to tell people, that, oh, yes, you were for more housing, and you were for more help for the veterans, and you were for more help for the brownfields, but somehow you could not do it.

Do you know what we have? What I have called the reverse Houdini. Harry Houdini became famous, as Ragtime remembers, because other people would tie him in knots, and his trick was to get out of the knots.

What we have here is a House that has done the reverse Houdini by voting a crabbed and inadequate budget that underfunds valuable social programs, and then says, if we have additional revenue, let us put all of it into tax cuts for people that are already pretty wealthy. And then people will come to us and say we need help with veterans. Veterans are going without health care. We need help with housing. We need help with the environment.

What do we say to them? We cannot help you. Why can we not help you? Because we have tied our own hands. That is the reverse Houdini. The Houdini is when somebody else ties you up and you get out of it. The reverse Houdini is when you tie yourself up, and then people come and say please help me with these terrible social problems, and you say, I am sorry, I cannot do that, I am all tied up. But it a self-inflicted restraint.

So I am not participating in this debate on the amendment process. Many of my friends are trying very hard, but they are trying to square the circle. Despite the good intentions of the gentleman from California, and I apologize to him for praising him in this context, I will do him no good, I am afraid, by doing so, but I know he tries. The gentleman from Ohio tries. But they have been given such a desperately inadequate amount of money to deal with some of the gravest social problems in America, not because the money is not there, but because this House chooses to misallocate the money in a reflection of terrible priorities.

Mr. Chairman, that is why I took the 5 minutes right now. That is why I am so disappointed that we are so ill-serving the American people.

AMENDMENT NO. 12 OFFERED BY MR. LAZIO OF NEW YORK

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. LAZIO of New York:

Page 2, after line 6, insert the following:

DIVISION A—APPROPRIATIONS

Page 91, line 4, strike ''This Act'' and insert ''Titles I, II, III, and IV of this Act''.

At the end of the bill (after the short title), insert the following:

DIVISION B—HOUSING OPPORTUNITY AND RESPONSIBILITY

SEC. 1001. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This division may be cited as the ''Housing Opportunity and Responsibility Act of 1997''.

(b) TABLE OF CONTENTS.—The table of contents for this division is as follows:

SEC. 1002. PERMANENT APPLICABILITY.

Upon effectiveness pursuant to section 1601(a), the provisions of this division and the amendments made by this division shall apply thereafter, except to the extent otherwise specifically provided in this division or the amendments made by this division.

SEC. 1003. DECLARATION OF POLICY TO RENEW AMERICAN NEIGHBORHOODS.

The Congress hereby declares that—

(1) the Federal Government has a responsibility to promote the general welfare of the Nation—

(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;

(2) the Federal Government cannot through its direct action alone provide for the housing of every American citizen, or even a majority of its citizens, but it is the responsibility of the Government to promote and protect the independent and collective actions of private citizens to develop housing and strengthen their own neighborhoods;

(3) the Federal Government should act where there is a serious need that private citizens or groups cannot or are not addressing responsibly;

(4) housing is a fundamental and necessary component of bringing true opportunity to people and communities in need, but providing physical structures to house low-income families will not by itself pull generations up from poverty;

(5) it is a goal of our Nation that all citizens have decent and affordable housing; and

(6) our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State, and local governments, and by the independent and collective actions of private citizens, organizations, and the private sector.

TITLE XI—GENERAL PROVISIONS

SEC. 1101. STATEMENT OF PURPOSE.

The purpose of this division is to promote safe, clean, and healthy housing that is affordable to low-income families, and thereby contribute to the supply of affordable housing, by—

(1) deregulating and decontrolling public housing agencies, thereby enabling them to perform as property and asset managers;

(2) providing for more flexible use of Federal assistance to public housing agencies, allowing the authorities to leverage and combine assistance amounts with amounts obtained from other sources;

(3) facilitating mixed income communities;

(4) increasing accountability and rewarding effective management of public housing agencies;

(5) creating incentives and economic opportunities for residents of dwelling units assisted by public housing agencies to work, become self-sufficient, and transition out of public housing and federally assisted dwelling units;

(6) recreating the existing rental assistance voucher program so that the use of vouchers and relationships between landlords and tenants under the program operate in a manner that more closely resembles the private housing market; and

(7) remedying troubled public housing agencies and replacing or revitalizing severely distressed public housing developments.

SEC. 1102. DEFINITIONS.

For purposes of this division, the following definitions shall apply:

(1) ACQUISITION COST.—When used in reference to public housing, the term ''acquisition cost'' means the amount prudently expended by a public housing agency in acquiring property for a public housing development.

(2) DEVELOPMENT.—The terms ''public housing development'' and ''development'' (when used in reference to public housing) mean—

(A) public housing; and

(B) the improvement of any such housing.

(3) DISABLED FAMILY.—The term ''disabled family'' means a family whose head (or his

or her spouse), or whose sole member, is a person with disabilities. Such term includes 2 or more persons with disabilities living together, and 1 or more such persons living with 1 or more persons determined under the regulations of the Secretary to be essential to their care or well-being.

(4) DRUG-RELATED CRIMINAL ACTIVITY.—The term ''drug-related criminal activity'' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as such term is defined in section 102 of the Controlled Substances Act).

(5) EFFECTIVE DATE.—The term ''effective date'', when used in reference to this division, means the effective date determined under section 1601(a).

(6) ELDERLY FAMILIES AND NEAR ELDERLY FAMILIES.—The terms ''elderly family'' and ''near-elderly family'' mean a family whose head (or his or her spouse), or whose sole member, is an elderly person or a near-elderly person, respectively. Such terms include 2 or more elderly persons or near-elderly persons living together, and 1 or more such persons living with 1 or more persons determined under the regulations of the Secretary to be essential to their care or well-being.

(7) ELDERLY PERSON.—The term ''elderly person'' means a person who is at least 62 years of age.

(8) ELIGIBLE PUBLIC HOUSING AGENCY.—The term ''eligible public housing agency'' means, with respect to a fiscal year, a public housing agency that is eligible under section 1202(d) for a grant under this title.

(9) FAMILY.—The term ''family'' includes a family with or without children, an elderly family, a near-elderly family, a disabled family, and a single person.

(10) GROUP HOME AND INDEPENDENT LIVING FACILITY.—The terms ''group home'' and ''independent living facility'' have the meanings given such terms in section 811(k) of the Cranston-Gonzalez National Affordable Housing Act.

(11) INCOME.—The term ''income'' means, with respect to a family, income from all sources of each member of the household, as determined in accordance with criteria prescribed by the applicable public housing agency and the Secretary, except that the following amounts shall be excluded:

(A) Any amounts not actually received by the family.

(B) Any amounts that would be eligible for exclusion under section 1613(a)(7) of the Social Security Act.

(12) LOCAL HOUSING MANAGEMENT PLAN.—The term ''local housing management plan'' means, with respect to any fiscal year, the plan under section 1106 of a public housing agency for such fiscal year.

(13) LOW-INCOME FAMILY.—The term ''low-income family'' means a family whose income does not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may, for purposes of this paragraph, establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the public housing agency's findings that such variations are necessary because of unusually high or low family incomes.

(14) LOW-INCOME HOUSING.—The term ''low-income housing'' means dwellings that comply with the requirements—

(A) under title XII for assistance under such title for the dwellings; or

(B) under title XIII for rental assistance payments under such title for the dwellings.

(15) NEAR-ELDERLY PERSON.—The term ''near-elderly person'' means a person who is at least 55 years of age.

(16) OPERATION.—When used in reference to public housing, the term ''operation'' means any or all undertakings appropriate for management, operation, services, maintenance, security (including the cost of security personnel), or financing in connection with a public housing development, including the financing of resident programs and services.

(17) PERSON WITH DISABILITIES.—The term ''person with disabilities'' 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) is of such a nature that such ability could be improved by more suitable housing conditions, or

(C) has a developmental disability as defined in section 102 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. Notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for purposes of eligibility for public housing under title XII of this Act, solely on the basis of any drug or alcohol dependence. The Secretary shall consult with other appropriate Federal agencies to implement the preceding sentence.

(18) PRODUCTION.—When used in reference to public housing, the term ''production'' means any or all undertakings necessary for planning, land acquisition, financing, demolition, construction, or equipment, in connection with the construction, acquisition, or rehabilitation of a property for use as a public housing development, including activity in connection with a public housing development that is confined to the reconstruction, remodeling, or repair of existing buildings.

(19) PRODUCTION COST.—When used in reference to public housing, the term ''production cost'' means the costs incurred by a public housing agency for production of public housing and the necessary financing for production (including the payment of carrying charges and acquisition costs).

(20) PUBLIC HOUSING.—The term ''public housing'' means housing, and all necessary appurtenances thereto, that—

(A) is low-income housing, low-income dwelling units in mixed-finance housing (as provided in subtitle F of title XII), or low-income dwelling units in mixed income housing (as provided in section 1221(c)(2)); and

(B)(i) is subject to an annual block grant contract under title XII; or

(ii) was subject to an annual block grant contract under title XII (or an annual contributions contract under the United States Housing Act of 1937) which is not in effect, but for which occupancy is limited in accordance with the requirements under section 1222(a).

(21) PUBLIC HOUSING AGENCY.—The term ''public housing agency'' is defined in section 1103.

(22) RESIDENT COUNCIL.—The term ''resident council'' means an organization or association that meets the requirements of section 1234(a).

(23) RESIDENT MANAGEMENT CORPORATION.—The term ''resident management corporation'' means a corporation that meets the requirements of section 1234(b)(2).

(24) RESIDENT PROGRAM.—The term ''resident programs and services'' means programs and services for families residing in public housing developments. Such term may include (A) the development and maintenance of resident organizations which participate in the management of public housing developments, (B) the training of residents to manage and operate the public housing development and the utilization of their services in management and operation of the development, (C) counseling on household management, housekeeping, budgeting, money management, homeownership issues, child care, and similar matters, (D) advice regarding resources for job training and placement, education, welfare, health, and other community services, (E) services that are directly related to meeting resident needs and providing a wholesome living environment; and (F) referral to appropriate agencies in the community when necessary for the provision of such services. To the maximum extent available and appropriate, existing public and private agencies in the community shall be used for the provision of such services.

(25) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(26) STATE.—The term ''State'' means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States and Indian tribes.

(27) VERY LOW-INCOME FAMILY.—The term ''very low-income family'' means a low-income family whose income does not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may, for purposes of this paragraph, establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the public housing agency's findings that such variations are necessary because of unusually high or low family incomes.

SEC. 1103. ORGANIZATION OF PUBLIC HOUSING AGENCIES.

(a) REQUIREMENTS.—For purposes of this division, the terms ''public housing agency'' and ''agency'' mean any entity that—

(1) is—

(A) a public housing agency that was authorized under the United States Housing Act of 1937 to engage in or assist in the development or operation of low-income housing;

(B) authorized under this division to engage in or assist in the development or operation of low-income housing by any State, county, municipality, or other governmental body or public entity;

(C) an entity authorized by State law to administer choice-based housing assistance under title XIII; or

(D) an entity selected by the Secretary, pursuant to subtitle D of title XV, to manage housing; and

(2) complies with the requirements under subsection (b).

The term does not include any entity that is an Indian housing authority for purposes of the United States Housing Act of 1937 (as in effect before the effectiveness of the Native American Housing Assistance and Self-Determination Act of 1996) or a tribally designated housing entity, as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996.

(b) GOVERNANCE.—

(1) BOARD OF DIRECTORS.—Each public housing agency shall have a board of directors or other form of governance as prescribed in State or local law. No person may

be barred from serving on such board or body because of such person's residency in a public housing development or status as an assisted family under title XIII.

(2) RESIDENT MEMBERSHIP.—

(A) IN GENERAL.—Except as provided in subparagraph (B), in localities in which a public housing agency is governed by a board of directors or other similar body, the board or body shall include not less than 1 member who is an elected public housing resident member (as such term is defined in paragraph (5)).

(B) EXCEPTIONS.—The requirement in subparagraph (A) with respect to elected public housing resident members shall not apply to—

(i) any State or local governing body that serves as a public housing agency for purposes of this division and whose responsibilities include substantial activities other than acting as the public housing agency, except that such requirement shall apply to any advisory committee or organization that is established by such governing body and whose responsibilities relate only to the governing body's functions as a public housing agency for purposes of this division;

(ii) any public housing agency that owns or operates less than 250 public housing dwelling units (including any agency that does not own or operate public housing); or

(iii) any public housing agency in a State that requires the members of the board of directors or other similar body of a public housing agency to be salaried and to serve on a full-time basis.

(3) FULL PARTICIPATION.—No public housing agency may limit or restrict the capacity or offices in which a member of such board or body may serve on such board or body solely because of the member's status as a resident member.

(4) CONFLICTS OF INTEREST.—The Secretary shall establish guidelines to prevent conflicts of interest on the part of members of the board or directors or governing body of a public housing agency.

(5) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

(A) ELECTED PUBLIC HOUSING RESIDENT MEMBER.—The term ''elected public housing resident member'' means, with respect to the public housing agency involved, an individual who is a resident member of the board of directors (or other similar governing body of the agency) by reason of election to such position pursuant to an election—

(i) in which eligibility for candidacy in such election is limited to individuals who—

(I) maintain their principal residence in a dwelling unit of public housing administered or assisted by the agency; and

(II) have not been convicted of a felony;

(ii) in which only residents of dwelling units of public housing administered by the agency may vote; and

(iii) that is conducted in accordance with standards and procedures for such election, which shall be established by the Secretary.

(B) RESIDENT MEMBER.—The term ''resident member'' means a member of the board of directors or other similar governing body of a public housing agency who is a resident of a public housing dwelling unit owned, administered, or assisted by the agency or is a member of an assisted family (as such term is defined in section 1371) assisted by the agency.

(c) ESTABLISHMENT OF POLICIES.—Any rules, regulations, policies, standards, and procedures necessary to implement policies required under section 1106 to be included in the local housing management plan for a public housing agency shall be approved by the board of directors or similar governing body of the agency and shall be publicly available for review upon request.

SEC. 1104. DETERMINATION OF ADJUSTED INCOME AND MEDIAN INCOME.

(a) ADJUSTED INCOME.—For purposes of this division, the term ''adjusted income'' means, with respect to a family, the difference between the income of the members of the family residing in a dwelling unit or the persons on a lease and the amount of any income exclusions for the family under subsections (b) and (c), as determined by the public housing agency.

(b) MANDATORY EXCLUSIONS FROM INCOME.—In determining adjusted income, a public housing agency shall exclude from the annual income of a family the following amounts:

(1) ELDERLY AND DISABLED FAMILIES.—$400 for any elderly or disabled family.

(2) MEDICAL EXPENSES.—The amount by which 3 percent of the annual family income is exceeded by the sum of—

(A) unreimbursed medical expenses of any elderly family;

(B) unreimbursed medical expenses of any nonelderly family, except that this subparagraph shall apply only to the extent approved in appropriation Acts; and

(C) unreimbursed reasonable attendant care and auxiliary apparatus expenses for each handicapped member of the family, to the extent necessary to enable any member of such family (including such handicapped member) to be employed.

(3) CHILD CARE EXPENSES.—Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(4) MINORS, STUDENTS, AND PERSONS WITH DISABILITIES.—$480 for each member of the family residing in the household (other than the head of the household or his or her spouse) who is less than 18 years of age or is attending school or vocational training on a full-time basis, or who is 18 years of age or older and is a person with disabilities.

(5) CHILD SUPPORT PAYMENTS.—Any payment made by a member of the family for the support and maintenance of any child who does not reside in the household, except that the amount excluded under this paragraph may not exceed $480 for each child for whom such payment is made.

(6) EARNED INCOME OF MINORS.—The amount of any earned income of a member of the family who is not—

(A) 18 years of age or older; and

(B) the head of the household (or the spouse of the head of the household).

(c) PERMISSIVE EXCLUSIONS FROM INCOME.—In determining adjusted income, a public housing agency may, in the discretion of the agency, establish exclusions from the annual income of a family. Such exclusions may include the following amounts:

(1) EXCESSIVE TRAVEL EXPENSES.—Excessive travel expenses in an amount not to exceed $25 per family per week, for employment- or education-related travel.

(2) EARNED INCOME.—An amount of any earned income of the family, established at the discretion of the public housing agency, which may be based on—

(A) all earned income of the family,

(B) the amount earned by particular members of the family;

(C) the amount earned by families having certain characteristics; or

(D) the amount earned by families or members during certain periods or from certain sources.

(3) OTHERS.—Such other amounts for other purposes, as the public housing agency may establish.

(d) MEDIAN INCOME.—In determining median incomes (of persons, families, or households) for an area or establishing any ceilings or limits based on income under this division, the Secretary shall determine or establish area median incomes and income ceilings and limits for Westchester and Rockland Counties, in the State of New York, as if each such county were an area not contained within the metropolitan statistical area in which it is located. In determining such area median incomes or establishing such income ceilings or limits for the portion of such metropolitan statistical area that does not include Westchester or Rockland Counties, the Secretary shall determine or establish area median incomes and income ceilings and limits as if such portion included Westchester and Rockland Counties.

(e) AVAILABILITY OF INCOME MATCHING INFORMATION.—

(1) DISCLOSURE TO PHA.—A public housing agency shall require any family described in paragraph (2) who receives information regarding income, earnings, wages, or unemployment compensation from the Department of Housing and Urban Development pursuant to income verification procedures of the Department to disclose such information, upon receipt of the information, to the public housing agency that owns or operates the public housing dwelling unit in which such family resides or that provides the housing assistance on behalf of such family, as applicable.

(2) APPLICABILITY TO FAMILIES RECEIVING PUBLIC HOUSING OR CHOICE-BASED HOUSING ASSISTANCE.—A family described in this paragraph is a family that resides in a dwelling unit—

(A) that is a public housing dwelling unit; or

(B) for which housing assistance is provided under title XIII (or under the program for tenant-based assistance under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act)).

(3) PROTECTION OF APPLICANTS AND PARTICIPANTS.—Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended—

(A) in subsection (b)—

(i) in paragraph (2), by striking ''and'' at the end;

(iii) in paragraph (3), by striking the period at the end and inserting ''; and''; and

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

''(4) only in the case of an applicant or participant that is a member of a family described in section 1104(e)(2) of the Housing Opportunity and Responsibility Act of 1997, sign an agreement under which the applicant or participant agrees to provide to the appropriate public housing agency the information required under such section 1104(e)(1) of the Housing Opportunity and Responsibility Act of 1997 for the sole purpose of the public housing agency verifying income information pertinent to the applicant's or participant's eligibility or level of benefits, and comply with such agreement.''; and

(B) in subsection (c)—

(i) in paragraph (2)(A), in the matter preceding clause (I)—

(I) by inserting before ''or'' the first place it appears the following: '', pursuant to section 1104(e)(1) of the Housing Opportunity and Responsibility Act of 1997 from the applicant or participant,''; and

(II) by inserting ''or 104(e)(1)'' after ''such section 303(i)''; and

(ii) in paragraph (3)—

(I) in subparagraph (A), by inserting '', section 1104(e)(1) of the Housing Opportunity and Responsibility Act of 1997,'' after ''Social Security Act''; and

(II) in subparagraph (A), by inserting ''or agreement, as applicable,'' after ''consent'';

(III) in subparagraph (B), by inserting ''section 1104(e)(1) of the Housing Opportunity

and Responsibility Act of 1997,'' after ''Social Security Act,''; and

(IV) in subparagraph (B), by inserting '' such section 1104(e)(1),'' after ''such section 303(i),'' each place it appears.

SEC. 1105. COMMUNITY WORK AND FAMILY SELF-SUFFICIENCY REQUIREMENTS.

(a) COMMUNITY WORK REQUIREMENT.—

(1) IN GENERAL.—Except as provided in paragraph (3), each public housing agency shall require, as a condition of occupancy of a public housing dwelling unit by a family and of providing housing assistance under title XIII on behalf of a family, that each adult member of the family shall contribute not less than 8 hours of work per month (not including political activities) within the community in which the family resides, which may include work performed on locations not owned by the public housing agency.

(2) EMPLOYMENT STATUS AND LIABILITY.—The requirement under paragraph (1) may not be construed to establish any employment relationship between the public housing agency and the member of the family subject to the work requirement under such paragraph or to create any responsibility, duty, or liability on the part of the public housing agency for actions arising out of the work done by the member of the family to comply with the requirement, except to the extent that the member of the family is fulfilling the requirement by working directly for such public housing agency.

(3) EXEMPTIONS.—A public housing agency shall provide for the exemption, from the applicability of the requirement under paragraph (1), of each individual who is—

(A) an elderly person;

(B) a person with disabilities;

(C) working, attending school or vocational training, or otherwise complying with work requirements applicable under other public assistance programs (as determined by the agencies or organizations responsible for administering such programs); or

(D) otherwise physically impaired to the extent that they are unable to comply with the requirement, as certified by a doctor.

(b) REQUIREMENT REGARDING TARGET DATE FOR TRANSITION OUT OF ASSISTED HOUSING.—

(1) IN GENERAL.—Each public housing agency shall require, as a condition of occupancy of a public housing dwelling unit by a family and of providing housing assistance under title XIII on behalf of a family, that the family and the agency enter into an agreement (included, pursuant to subsection (d)(2)(C), as a term of an agreement under subsection (d)) establishing a target date by which the family intends to graduate from, terminate tenancy in, or no longer receive public housing or housing assistance under title XIII.

(2) RIGHTS OF OCCUPANCY.—This subsection may not be construed (nor may any provision of subsection (d) or (e)) to create a right on the part of any public housing agency to evict or terminate assistance for a family solely on the basis of any failure of the family to comply with the target date established pursuant to paragraph (1).

(3) FACTORS.—In establishing a target date pursuant to paragraph (1) for a family that receives benefits for welfare or public assistance from a State or other public agency under a program that limits the duration during which such benefits may be received, the public housing agency and the family may take into consideration such time limit. This section may not be construed to require any public housing agency to adopt any such time limit on the duration of welfare or public assistance benefits as the target date pursuant to paragraph (1) for a resident.

(4) EXEMPTIONS.—A public housing agency shall provide for the exemption, from the applicability of the requirements under paragraph (1), of each individual who is—

(A) an elderly person;

(B) a person with disabilities;

(C) working, attending school or vocational training, or otherwise complying with work requirements applicable under other public assistance programs (as determined by the agencies or organizations responsible for administering such programs); or

(D) otherwise physically impaired to the extent that they are unable to comply with the requirement, as certified by a doctor.

(c) TREATMENT OF INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS.—

(1) COVERED FAMILY.—For purposes of this subsection, the term ''covered family'' means a family that (A) receives benefits for welfare or public assistance from a State or other public agency under a program for which the Federal, State, or local law relating to the program requires, as a condition of eligibility for assistance under the program, participation of a member of the family in an economic self-sufficiency program, and (B) resides in a public housing dwelling unit or is provided housing assistance under title XIII.

(2) DECREASES IN INCOME FOR FAILURE TO COMPLY.—Notwithstanding the provisions of sections 1225 and 1322 (relating to family rental contributions), if the welfare or public assistance benefits of a covered family are reduced under a Federal, State, or local law regarding such an assistance program because of any failure of any member of the family to comply with the conditions under the assistance program requiring participation in an economic self-sufficiency program, the amount required to be paid by the family as a monthly contribution toward rent may not be decreased, during the period of the reduction, as a result of any decrease in the income of the family (to the extent that the decrease in income is a result of the benefits reduction).

(3) EFFECT OF FRAUD.—Notwithstanding the provisions of sections 1225 and 1322 (relating to family rental contributions), if the welfare or public assistance benefits of a covered family are reduced because of an act of fraud by a member of the family under the law or program, the amount required to be paid by the covered family as a monthly contribution toward rent may not be decreased, during the period of the reduction, as a result of any decrease in the income of the family (to the extent that the decrease in income is a result of the benefits reduction).

(4) NOTICE.—Paragraphs (2) and (3) shall not apply to any covered family before the public housing agency providing assistance under this division on behalf of the family obtains written notification from the relevant welfare or public assistance agency specifying that the family's benefits have been reduced because of noncompliance with economic self-sufficiency program requirements or fraud and the level of such reduction.

(5) OCCUPANCY RIGHTS.—This subsection may not be construed to authorize any public housing agency to establish any time limit on tenancy in a public housing dwelling unit or on receipt of housing assistance under title XIII.

(6) REVIEW.—Any covered family residing in public housing that is affected by the operation of this subsection shall have the right to review the determination under this subsection through the administrative grievance procedure established pursuant to section 1110 for the public housing agency.

(7) COOPERATION AGREEMENTS FOR ECONOMIC SELF-SUFFICIENCY ACTIVITIES.—

(A) REQUIREMENT.—A public housing agency providing public housing dwelling units or housing assistance under title XIII for covered families shall make its best efforts to enter into such cooperation agreements, with State, local, and other agencies providing assistance to covered families under welfare or public assistance programs, as may be necessary, to provide for such agencies to transfer information to facilitate administration of subsection (a) and paragraphs (2), (3), and (4) of this subsection, and other information regarding rents, income, and assistance that may assist a public housing agency or welfare or public assistance agency in carrying out its functions.

(B) CONTENTS.—A public housing agency shall seek to include in a cooperation agreement under this paragraph requirements and provisions designed to target assistance under welfare and public assistance programs to families residing in public housing developments and receiving choice-based assistance under title XIII, which may include providing for self-sufficiency services within such housing, providing for services designed to meet the unique employment-related needs of residents of such housing and recipients of such assistance, providing for placement of workfare positions on-site in such housing, and such other elements as may be appropriate.

(C) CONFIDENTIALITY.—This paragraph may not be construed to authorize any release of information that is prohibited by, or in contravention of, any other provision of Federal, State, or local law.

(d) COMMUNITY WORK AND FAMILY SELF-SUFFICIENCY AGREEMENTS.—

(1) IN GENERAL.—A public housing agency shall enter into a community work and family self-sufficiency agreement under this subsection with each adult member and head of household of each family who is to reside in a dwelling unit in public housing of the agency and each family on behalf of whom the agency will provide housing assistance under title XIII. Under the agreement the family shall agree that, as a condition of occupancy of the public housing dwelling unit or of receiving such housing assistance, the family will comply with the terms of the agreement.

(2) TERMS.—An agreement under this subsection shall include the following:

(A) Terms designed to encourage and facilitate the economic self-sufficiency of the assisted family entering into the agreement and the graduation of the family from assisted housing to unassisted housing.

(B) Notice of the requirements under subsection (a) (relating to community work) and the conditions imposed by, and exemptions from, such requirement.

(C) The target date agreed upon by the family pursuant to subsection (b) for graduation from, termination of tenancy in, or termination of receipt of public housing or housing assistance under title XIII.

(D) Terms providing for any resources, services, and assistance relating to self-sufficiency that will be made available to the family, including any assistance to be made available pursuant to subsection (c)(7)(B) under a cooperation agreement entered into under subsection (c)(7).

(E) Notice of the provisions of paragraphs (2) through (7) of subsection (c) (relating to effect of changes in income on rent and assisted families rights under such circumstances).

(e) LEASE PROVISIONS.—A public housing agency shall incorporate into leases under section 1226, and into any agreements for the provision of choice-based assistance under title XIII on behalf of a family—

(1) a provision requiring compliance with the requirement under subsection (a); and

(2) provisions incorporating the conditions under subsection (c).

(f) TREATMENT OF INCOME.—Notwithstanding any other provision of this section, in determining the income or tenancy of a family who resides in public housing or receives housing assistance under title XIII, a public housing agency shall consider any decrease in the income of a family that results from the reduction of any welfare or public assistance benefits received by the family under any Federal, State, or local law regarding a program for such assistance if the family (or a member thereof, as applicable) has complied with the conditions for receiving such assistance and is unable to obtain employment notwithstanding such compliance.

(g) DEFINITION.—For purposes of this section, the term ''economic self-sufficiency program'' means any program designed to encourage, assist, train, or facilitate the economic independence of participants and their families or to provide work for participants, including programs for job training, employment counseling, work placement, basic skills training, education, workfare, financial or household management, apprenticeship, or other activities as the Secretary may provide.

SEC. 1106. LOCAL HOUSING MANAGEMENT PLANS.

(a) 5-YEAR PLAN.—The Secretary shall provide for each public housing agency to submit to the Secretary, once every 5 years, a plan under this subsection for the agency covering a period consisting of 5 fiscal years. Each such plan shall contain, with respect to the 5-year period covered by the plan, the following information:

(1) STATEMENT OF MISSION.—A statement of the mission of the agency for serving the needs of low-income families in the jurisdiction of the agency during such period.

(2) GOALS AND OBJECTIVES.—A statement of the goals and objectives of the agency that will enable the agency to serve the needs identified pursuant to paragraph (1) during such period.

(3) CAPITAL IMPROVEMENT OVERVIEW.—If the agency will provide capital improvements for public housing developments during such period, an overview of such improvements, the rationale for such improvements, and an analysis of how such improvements will enable the agency to meet its goals, objectives, and mission.

The first 5-year plan under this subsection for a public housing agency shall be submitted for the 5-year period beginning with the first fiscal year for which the agency receives assistance under this division.

(b) ANNUAL PLAN.—The Secretary shall provide for each public housing agency to submit to the Secretary a local housing management plan under this section for each fiscal year that contains the information required under subsection (d). For each fiscal year after the initial submission of a plan under this section by a public housing agency, the agency may comply with requirements for submission of a plan under this subsection by submitting an update of the plan for the fiscal year.

(c) PROCEDURES.—The Secretary shall establish requirements and procedures for submission and review of plans, including requirements for timing and form of submission, and for the contents of such plans. Such procedures shall provide that a public housing agency—

(1) shall, in conjunction with the relevant State or unit of general local government, establish procedures to ensure that the plan under this section is consistent with the applicable comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the jurisdiction in which the public housing agency is located, in accordance with title I of the Cranston-Gonzalez National Affordable Housing Act; and

(2) may, at the option of the agency, submit a plan under this section together with, or as part of, the comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the relevant jurisdiction, and for concomitant review of such plans submitted together.

(d) CONTENTS.—An annual local housing management plan under this section for a public housing agency shall contain the following information relating to the upcoming fiscal year for which the assistance under this division is to be made available:

(1) NEEDS.—A statement of the housing needs of low-income and very low-income families residing in the community served by the agency, and of other low-income families on the waiting list of the agency (including the housing needs of elderly families and disabled families), and the means by which the agency intends, to the maximum extent practicable, to address such needs.

(2) FINANCIAL RESOURCES.—A statement of financial resources available for the agency the planned uses of such resources that includes—

(A) a description of the financial resources available to the agency;

(B) the uses to which such resources will be committed, including all proposed eligible and required activities under section 1203 and housing assistance to be provided under title XIII;

(C) an estimate of the costs of operation and the market rental value of each public housing development; and

(D) a specific description, based on population and demographic data, of the unmet affordable housing needs of families in the community served by the agency having incomes not exceeding 30 percent of the area median income and a statement of how the agency will expend grant amounts received under this division to meet the housing needs of such families.

(3) POPULATION SERVED.—A statement of the policies of the agency governing eligibility, admissions, and occupancy of families with respect to public housing dwelling units and housing assistance under title XIII, including—

(A) the requirements for eligibility for such units and assistance and the method and procedures by which eligibility and income will be determined and verified;

(B) the requirements for selection and admissions of eligible families for such units and assistance, including any preferences and procedures established by the agency and any outreach efforts;

(C) the procedures for assignment of families admitted to dwelling units owned, leased, managed, operated, or assisted by the agency;

(D) any standards and requirements for occupancy of public housing dwelling units and units assisted under title XIII, including resident screening policies, standard lease provisions, conditions for continued occupancy, termination of tenancy, eviction, and conditions for termination of housing assistance;

(E) the procedures for maintaining waiting lists for admissions to public housing developments of the agency, which may include a system of site-based waiting lists under section 1224(c);

(F) the criteria for providing and denying housing assistance under title XIII to families moving into the jurisdiction of the agency;

(G) the procedures for coordination with entities providing assistance to homeless families in the jurisdiction of the agency; and

(H) the fair housing policy of the agency.

(4) RENT DETERMINATION.—A statement of the policies of the agency governing rents charged for public housing dwelling units and rental contributions of assisted families under title XIII and the system used by the agency to ensure that such rents comply with the requirements of this division.

(5) OPERATION AND MANAGEMENT.—A statement of the rules, standards, and policies of the public housing agency governing maintenance and management of housing owned and operated by the agency, and management of the public housing agency and programs of the agency, including—

(A) a description of the manner in which the agency is organized (including any consortia or joint ventures) and staffed to perform the duties and functions of the public housing agency and to administer the operating fund distributions of the agency;

(B) policies relating to the rental of dwelling units, including policies designed to reduce vacancies;

(C) housing quality standards in effect pursuant to sections 1232 and 1328 and any certifications required under such sections;

(D) emergency and disaster plans for public housing;

(E) priorities and improvements for management of public housing, including initiatives to control costs; and

(F) policies of the agency requiring the loss or termination of housing assistance and tenancy under sections 1641 and 1642 (relating to occupancy standards for federally assisted housing).

(6) GRIEVANCE PROCEDURE.—A statement of the grievance procedures of the agency under section 1110.

(7) CAPITAL IMPROVEMENTS.—With respect to public housing developments owned or operated by the agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the developments.

(8) DEMOLITION AND DISPOSITION.—With respect to public housing developments owned or operated by the agency—

(A) a description of any such housing to be demolished or disposed of under subtitle E of title XII; and

(B) a timetable for such demolition or disposition.

(9) DESIGNATION OF HOUSING FOR ELDERLY AND DISABLED FAMILIES.—With respect to public housing developments owned or operated by the agency, a description of any developments (or portions thereof) that the agency has designated or will designate for occupancy by elderly and disabled families in accordance with section 1227 and any information required under section 1227(d) for such designated developments.

(10) CONVERSION OF PUBLIC HOUSING.—With respect to public housing owned or operated by the agency, a description of any building or buildings that the agency is required, under section 1203(b), to convert to housing assistance under title XIII or that the agency voluntarily converts, an analysis of such buildings required under such section for conversion, and a statement of the amount of grant amounts under title XII to be used for rental assistance or other housing assistance.

(11) HOMEOWNERSHIP ACTIVITIES.—A description of—

(A) any homeownership programs of the agency under subtitle D of title XII or section 1329 for the agency;

(B) the requirements and assistance available under the programs described pursuant to subparagraph (A); and

(C) the annual goals of the agency for additional availability of homeownership units.

(12) ECONOMIC SELF-SUFFICIENCY AND COORDINATION WITH WELFARE AND OTHER APPROPRIATE AGENCIES.—A description of—

(A) policies relating to services and amenities provided or offered to assisted families,

including the provision of service coordinators and services designed for certain populations (such as the elderly and disabled);

(B) how the agency will coordinate with State, local, and other agencies providing assistance to families participating in welfare or public assistance programs;

(C) how the agency will implement and administer section 1105; and

(D) any policies, programs, plans, and activities of the agency for the enhancement of the economic and social self-sufficiency of residents assisted by the programs of the agency, including rent structures to encourage self-sufficiency.

(13) SAFETY AND CRIME PREVENTION.—A plan established by the public housing agency, which shall be subject to the following requirements:

(A) SAFETY MEASURES.—The plan shall provide, on a development-by-development basis, for measures to ensure the safety of public housing residents.

(B) ESTABLISHMENT.—The plan shall be established, with respect to each development, in consultation with the police officer or officers in command for the precinct in which the development is located.

(C) CONTENT.—The plan shall describe the need for measures to ensure the safety of public housing residents and for crime prevention measures, describe any such activities conducted, or to be conducted, by the agency, and provide for coordination between the public housing agency and the appropriate police precincts for carrying out such measures and activities.

(D) SECRETARIAL ACTION.—If the Secretary determines, at any time, that the security needs of a development are not being adequately addressed by the plan, or that the local police precinct is not complying with the plan, the Secretary may mediate between the public housing agency and the local precinct to resolve any issues of conflict. If after such mediation has occurred and the Secretary determines that the security needs of the development are not adequately addressed, the Secretary may require the public housing agency to submit an amended plan.

(14) ANNUAL AUDIT.—The results of the most recent fiscal year audit of the agency required under section 1541(b).

(15) TROUBLED AGENCIES.—Such other additional information as the Secretary may determine to be appropriate for each public housing agency that is designated—

(A) under section 1533(c) as at risk of becoming troubled; or

(B) under section 1533(a) as troubled.

(16) ASSET MANAGEMENT.—A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.

(e) CITIZEN PARTICIPATION.—

(1) PUBLICATION OF NOTICE.—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 agency shall—

(A) publish a notice informing the public that the proposed local housing management plan or amendment is available for inspection at the principal office of the public housing agency during normal business hours and make the plan or amendment so available for inspection during such period; and

(B) publish a notice informing the public that a public hearing will be conducted to discuss the local housing management plan and to invite public comment regarding that plan.

(2) PUBLIC HEARING.—Before submitting a plan under this section or a significant amendment under section 1107(f) to a plan, a public housing agency shall, at a location that is convenient to residents, conduct a public hearing, as provided in the notice published under paragraph (1), regarding the public housing plan or the amendment of the agency.

(3) CONSIDERATION OF COMMENTS.—A public housing agency shall consider any comments or views made available pursuant to paragraphs (1) and (2) in preparing a final plan or amendment for submission to the Secretary. A summary of such comments or views shall be attached to the plan, amendment, or report submitted.

(4) ADOPTION OF PLAN.—After conducting the public hearing under paragraph (2) and considering public comments in accordance with paragraph (3), the public housing agency shall make any appropriate changes to the local housing management plan or amendment and shall—

(A) adopt the local housing management plan;

(B) submit the plan to any local elected official or officials responsible for appointing the members of the board of directors (or other similar governing body) of the public housing agency for review and approval under subsection (f);

(C) submit the plan to the Secretary in accordance with this section; and

(D) make the submitted plan or amendment publicly available.

(f) LOCAL REVIEW.—The public housing agency shall submit a plan under this subsection to any local elected official or officials responsible for appointing the members of the board of directors (or other similar governing body) of the public housing agency for review and approval for a 45-day period beginning on the date that the plan is submitted to such local official or officials (which period may run concurrently with any period under subsection (e) for public comment). If the local official or officials responsible under this subsection do not act within 45 days of submission of the plan, the plan shall be considered approved. If the local official or officials responsible under this subsection reject the public housing agency's plan, they shall return the plan with their recommended changes to the agency within 5 days of their disapproval. The agency shall resubmit an updated plan to the local official or officials within 30 days of receiving the objections, If the local official or officials again reject the plan, the resubmitted plan, together with the local official's objections, shall be submitted to the Secretary for approval.

(g) PLANS FOR SMALL PHA'S AND PHA'S ADMINISTERING ONLY RENTAL ASSISTANCE.—The Secretary shall establish requirements for submission of plans under this section and the information to be included in such plans applicable to public housing agencies that own or operate less than 250 public housing dwelling units and shall establish requirements for such submission and information applicable to agencies that only administer housing assistance under title XIII (and do not own or operate public housing). Such requirements shall waive any requirements under this section that the Secretary determines are burdensome or unnecessary for such agencies.

SEC. 1107. REVIEW OF PLANS.

(a) REVIEW AND NOTICE.—

(1) REVIEW.—The Secretary shall conduct a limited review of each local housing management plan submitted to the Secretary to ensure that the plan is complete and complies with the requirements of section 1106. The Secretary shall have the discretion to review a plan to the extent that the Secretary considers review is necessary.

(2) NOTICE.—The Secretary shall notify each public housing agency submitting a plan whether the plan complies with such requirements not later than 75 days after receiving the plan. If the Secretary does not notify the public housing agency, as required under this subsection and subsection (b), the Secretary shall be considered, for purposes of this division, to have made a determination that the plan complies with the requirements under section 1106 and the agency shall be considered to have been notified of compliance upon the expiration of such 75-day period. The preceding sentence shall not preclude judicial review regarding such compliance pursuant to chapter 7 of title 5, United States Code, or an action regarding such compliance under section 1979 of the Revised Statutes of the United States (42 U.S.C. 1983).

(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan, as submitted, does not comply with the requirements under section 1106, the Secretary shall specify in the notice under subsection (a) the reasons for the noncompliance and any modifications necessary for the plan to meet the requirements under section 1106.

(c) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan does not comply with the requirements under section 1106 only if—

(1) the plan is incomplete in significant matters required under such section;

(2) there is evidence available to the Secretary that challenges, in a substantial manner, any information provided in the plan;

(3) the Secretary determines that the plan does not comply with Federal law or violates the purposes of this division because it fails to provide housing that will be viable on a long-term basis at a reasonable cost;

(4) the plan plainly fails to adequately identify the needs of low-income families for housing assistance in the jurisdiction of the agency;

(5) the plan plainly fails to adequately identify the capital improvement needs for public housing developments in the jurisdiction of the agency;

(6) the activities identified in the plan are plainly inappropriate to address the needs identified in the plan; or

(7) the plan is inconsistent with the requirements of this division.

The Secretary shall determine that a plan does not comply with the requirements under section 1106 if the plan does not include the information required under section 1106(d)(2)(D).

(d) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this title, a public housing agency shall be considered to have submitted a plan under this section if the agency has submitted to the Secretary a comprehensive plan under section 14(e) of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 1601(b) of this Act) or under the comprehensive improvement assistance program under such section 14, and the Secretary has approved such plan, before January 1, 1997. The Secretary shall provide specific procedures and requirements for such authorities to amend such plans by submitting only such additional information as is necessary to comply with the requirements of section 1106.

(e) ACTIONS TO CHANGE PLAN.—A public housing agency that has submitted a plan under section 1106 may change actions or policies described in the plan before submission and review of the plan of the agency for the next fiscal year only if—

(1) in the case of costly or nonroutine changes, the agency submits to the Secretary an amendment to the plan under subsection (f) which is reviewed in accordance with such subsection; or

(2) in the case of inexpensive or routine changes, the agency describes such changes in such local housing management plan for the next fiscal year.

(f) AMENDMENTS TO PLAN.—

(1) IN GENERAL.—During the annual or 5-year period covered by the plan for a public housing agency, the agency may submit to the Secretary any amendments to the plan.

(2) REVIEW.—The Secretary shall conduct a limited review of each proposed amendment submitted under this subsection to determine whether the plan, as amended by the amendment, complies with the requirements of section 1106 and notify each public housing agency submitting the amendment whether the plan, as amended, complies with such requirements not later than 30 days after receiving the amendment. If the Secretary determines that a plan, as amended, does not comply with the requirements under section 1106, such notice shall indicate the reasons for the noncompliance and any modifications necessary for the plan to meet the requirements under section 1106. If the Secretary does not notify the public housing agency as required under this paragraph, the plan, as amended, shall be considered, for purposes of this section, to comply with the requirements under section 1106.

(3) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan, as amended by a proposed amendment, does not comply with the requirements under section 1106 only if—

(A) the plan, as amended, would be subject to a determination of noncompliance in accordance with the provisions of subsection (c);

(B) the Secretary determines that—

(i) the proposed amendment is plainly inconsistent with the activities specified in the plan; or

(ii) there is evidence that challenges, in a substantial manner, any information contained in the amendment; or

(C) the Secretary determines that the plan, as amended, violates the purposes of this division because it fails to provide housing that will be viable on a long-term basis at a reasonable cost.

(4) AMENDMENTS TO EXTEND TIME OF PERFORMANCE.—Notwithstanding any other provision of this subsection, the Secretary may not determine that any amendment to the plan of a public housing agency that extends the time for performance of activities assisted with amounts provided under this title fails to comply with the requirements under section 1106 if the Secretary has not provided the amount of assistance set forth in the plan or has not provided the assistance in a timely manner.

SEC. 1108. REPORTING REQUIREMENTS.

(a) PERFORMANCE AND EVALUATION REPORT.—Each public housing agency shall annually submit to the Secretary, on a date determined by the Secretary, a performance and evaluation report concerning the use of funds made available under this division. The report of the public housing agency shall include an assessment by the agency of the relationship of such use of funds made available under this division, as well as the use of other funds, to the needs identified in the local housing management plan and to the purposes of this division. The public housing agency shall certify that the report was available for review and comment by affected tenants prior to its submission to the Secretary.

(b) REVIEW OF PHA'S.—The Secretary shall, at least on an annual basis, make such reviews as may be necessary or appropriate to determine whether each public housing agency receiving assistance under this section—

(1) has carried out its activities under this division in a timely manner and in accordance with its local housing management plan; and

(2) has a continuing capacity to carry out its local housing management plan in a timely manner.

(c) RECORDS.—Each public housing agency shall collect, maintain, and submit to the Secretary such data and other program records as the Secretary may require, in such form and in accordance with such schedule as the Secretary may establish.

SEC. 1109. PET OWNERSHIP.

Pet ownership in housing assisted under this division that is federally assisted rental housing (as such term is defined in section 227 of the Housing and Urban-Rural Recovery Act of 1983) shall be governed by the provisions of section 227 of such Act.

SEC. 1110. ADMINISTRATIVE GRIEVANCE PROCEDURE.

(a) REQUIREMENTS.—Each public housing agency receiving assistance under this division shall establish and implement an administrative grievance procedure under which residents of public housing will—

(1) be advised of the specific grounds of any proposed adverse public housing agency action;

(2) have an opportunity for a hearing before an impartial party (including appropriate employees of the public housing agency) upon timely request within a reasonable period of time;

(3) have an opportunity to examine any documents or records or regulations related to the proposed action;

(4) be entitled to be represented by another person of their choice at any hearing;

(5) be entitled to ask questions of witnesses and have others make statements on their behalf; and

(6) be entitled to receive a written decision by the public housing agency on the proposed action.

(b) EXCLUSION FROM ADMINISTRATIVE PROCEDURE OF GRIEVANCES CONCERNING EVICTIONS FROM PUBLIC HOUSING INVOLVING HEALTH, SAFETY, OR PEACEFUL ENJOYMENT.—A public housing agency may exclude from its procedure established under subsection (a) any grievance, in any jurisdiction which requires that prior to eviction, a tenant be given a hearing in court, which the Secretary determines provides the basic elements of due process (which the Secretary shall establish by rule under section 553 of title 5, United States Code), concerning an eviction from or termination of tenancy in public housing that involves any activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other tenants or employees of the public housing agency or any drug-related criminal activity on or off such premises. In the case of any eviction from or termination of tenancy in public housing not described in the preceding sentence, each of the following provisions shall apply:

(1) Such eviction or termination shall be subject to an administrative grievance procedure if the tenant so evicted or terminated requests a hearing under such procedure not later than five days after service of notice of such eviction or termination.

(2) The public housing agency shall take final action regarding a grievance under paragraph (1) not later than thirty days after such notice is served.

(3) If the public housing agency fails to provide a hearing under the grievance procedure pursuant to a request under paragraph (1) and take final action regarding the grievance before the expiration of the 30-day period under paragraph (2), the notice of eviction or termination shall be considered void and shall not be given any force or effect.

(4) If a public housing authority takes final action on a grievance for any eviction or termination, the tenant and any member of the tenant's household shall not have any right in connection with any subsequent eviction or termination notice to request or be afforded any administrative grievance hearing during the 1-year period beginning upon the date of the final action.

(c) INAPPLICABILITY TO CHOICE-BASED RENTAL HOUSING ASSISTANCE.—This section may not be construed to require any public housing agency to establish or implement an administrative grievance procedure with respect to assisted families under title XIII.

SEC. 1111. HEADQUARTERS RESERVE FUND.

(a) ANNUAL RESERVATION OF AMOUNTS.—Notwithstanding any other provision of law, the Secretary may retain not more than 2 percent of the amounts appropriated to carry out title XII for any fiscal year for use in accordance with this section.

(b) USE OF AMOUNTS.—Any amounts that are retained under subsection (a) or appropriated for use under this section shall be available for subsequent allocation to specific areas and communities, and may only be used for the Department of Housing and Urban Development and—

(1) for unforeseen housing needs resulting from natural and other disasters;

(2) for housing needs resulting from emergencies, as determined by the Secretary, other than such disasters;

(3) for housing needs related to a settlement of litigation, including settlement of fair housing litigation; and

(4) for needs related to the Secretary's actions under this division regarding troubled and at-risk public housing agencies.

Housing needs under this subsection may be met through the provision of assistance in accordance with title XII or title XIII, or both.

SEC. 1112. LABOR STANDARDS.

(a) IN GENERAL.—Any contract for grants, sale, or lease pursuant to this division relating to public housing shall contain the following provisions:

(1) OPERATION.—A provision requiring that not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all contractors and persons employed in the operation of the low-income housing development involved.

(2) PRODUCTION.—A provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a—276a–5), shall be paid to all laborers and mechanics employed in the production of the development involved.

The Secretary shall require certification as to compliance with the provisions of this section before making any payment under such contract.

(b) EXCEPTIONS.—Subsection (a) and the provisions relating to wages (pursuant to subsection (a)) in any contract for grants, sale, or lease pursuant to this division relating to public housing, shall not apply to any individual who—

(1) performs services for which the individual volunteered;

(2)(A) does not receive compensation for such services; or

(B) is paid expenses, reasonable benefits, or a nominal fee for such services; and

(3) is not otherwise employed at any time in the construction work.

SEC. 1113. NONDISCRIMINATION.

(a) IN GENERAL.—No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with amounts made available under this division. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

(b) CIVIL RIGHTS COMPLIANCE.—Each public housing agency that receives grant amounts under this division shall use such amounts and carry out its local housing management plan approved under section 1107 in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the Americans With Disabilities Act of 1990, and shall affirmatively further fair housing.

SEC. 1114. PROHIBITION ON USE OF FUNDS.

None of the funds made available to the Department of Housing and Urban Development to carry out this division, which are obligated to State or local governments, public housing agencies, housing finance agencies, or other public or quasi-public housing agencies, shall be used to indemnify contractors or subcontractors of the government or agency against costs associated with judgments of infringement of intellectual property rights.

SEC. 1115. INAPPLICABILITY TO INDIAN HOUSING.

Except as specifically provided by law, the provisions of this title, and titles XII, XIII, XIV, and XV shall not apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority under the United States Housing Act of 1937 or to housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996.

SEC. 1116. REGULATIONS.

(a) IN GENERAL.—The Secretary may issue any regulations necessary to carry out this division. This subsection shall take effect on the date of the enactment of this Act.

(b) RULE OF CONSTRUCTION.—Any failure by the Secretary to issue any regulations authorized under subsection (a) shall not affect the effectiveness of any provision of this division or any amendment made by this division.

TITLE XII—PUBLIC HOUSING

Subtitle A—Block Grants

SEC. 1201. BLOCK GRANT CONTRACTS.

(a) IN GENERAL.—The Secretary shall enter into contracts with public housing agencies under which—

(1) the Secretary agrees to make a block grant under this title, in the amount provided under section 1202(c), for assistance for low-income housing to the public housing agency for each fiscal year covered by the contract; and

(2) the agency agrees—

(A) to provide safe, clean, and healthy housing that is affordable to low-income families and services for families in such housing;

(B) to operate, or provide for the operation, of such housing in a financially sound manner;

(C) to use the block grant amounts in accordance with this title and the local housing management plan for the agency that complies with the requirements of section 1106;

(D) to involve residents of housing assisted with block grant amounts in functions and decisions relating to management and the quality of life in such housing;

(E) that the management of the public housing of the agency shall be subject to actions authorized under subtitle D of title XV;

(F) that the Secretary may take actions under section 1205 with respect to improper use of grant amounts provided under the contract; and

(G) to otherwise comply with the requirements under this title.

(b) SMALL PUBLIC HOUSING AGENCY CAPITAL GRANT OPTION.—For any fiscal year, upon the request of the Governor of the State, the Secretary shall make available directly to the State, from the amounts otherwise included in the block grants for all public housing agencies in such State which own or operate less than 100 dwelling units, ½ of that portion of such amounts that is derived from the capital improvement allocations for such agencies pursuant to section 1203(c)(1) or 1203(d)(2), as applicable. The Governor of the State will have the responsibility to distribute all of such funds, in amounts determined by the Governor, only to meet the exceptional capital improvement requirements for the various public housing agencies in the State which operate less than 100 dwelling units: *Provided*, however, that for States where Federal funds provided to the State are subject to appropriation action by the State legislature, the capital funds made available to the Governor under this subsection shall be subject to such appropriation by the State legislature.

(c) MODIFICATION.—Contracts and agreements between the Secretary and a public housing agency may not be amended in a manner which would—

(1) impair the rights of—

(A) leaseholders for units assisted pursuant to a contract or agreement; or

(B) the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged; or

(2) provide for payment of block grant amounts under this title in an amount exceeding the allocation for the agency determined under section 1204.

Any rule of law contrary to this subsection shall be deemed inapplicable.

SEC. 1202. GRANT AUTHORITY, AMOUNT, AND ELIGIBILITY.

(a) AUTHORITY.—The Secretary shall make block grants under this title to eligible public housing agencies in accordance with block grant contracts under section 1201.

(b) PERFORMANCE FUNDS.—

(1) IN GENERAL.—The Secretary shall establish 2 funds for the provision of grants to eligible public housing agencies under this title, as follows:

(A) CAPITAL FUND.—A capital fund to provide capital and management improvements to public housing developments.

(B) OPERATING FUND.—An operating fund for public housing operations.

(2) FLEXIBILITY OF FUNDING.—

(A) IN GENERAL.—A public housing agency may use up to 20 percent of the amounts from a grant under this title that are allocated and provided from the capital fund for activities that are eligible under section 1203(a)(2) to be funded with amounts from the operating fund.

(B) FULL FLEXIBILITY FOR SMALL PHA'S.—In the case of a public housing agency that owns or operates less than 250 public housing dwelling units and is (in the determination of the Secretary) operating and maintaining its public housing in a safe, clean, and healthy condition, the agency may use amounts from a grant under this title for any eligible activities under section 1203(a), regardless of the fund from which the amounts were allocated and provided.

(c) AMOUNT OF GRANTS.—The amount of the grant under this title for a public housing agency for a fiscal year shall be the amount of the allocation for the agency determined under section 1204, except as otherwise provided in this title and title XV.

(d) ELIGIBILITY.—A public housing agency shall be an eligible public housing agency with respect to a fiscal year for purposes of this title only if—

(1) the Secretary has entered into a block grant contract with the agency;

(2) the agency has submitted a local housing management plan to the Secretary for such fiscal year;

(3) the plan has been determined to comply with the requirements under section 1106 and the Secretary has not notified the agency that the plan fails to comply with such requirements;

(4) the agency is exempt from local taxes, as provided under subsection (e), or receives a contribution, as provided under such subsection;

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

(6) the agency has entered into an agreement providing for local cooperation in accordance with subsection (f); and

(7) the agency has not been disqualified for a grant pursuant to section 1205(a) or title XV.

(e) PAYMENTS IN LIEU OF STATE AND LOCAL TAXATION OF PUBLIC HOUSING DEVELOPMENTS.—

(1) EXEMPTION FROM TAXATION.—A public housing agency may receive a block grant under this title only if—

(A)(i) the developments of the agency (exclusive of any portions not assisted with amounts provided under this title) are exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision; and

(ii) the public housing agency makes payments in lieu of taxes to such taxing authority equal to 10 percent of the sum, for units charged in the developments of the agency, of the difference between the gross rent and the utility cost, or such lesser amount as is—

(I) prescribed by State law;

(II) agreed to by the local governing body in its agreement under subsection (f) for local cooperation with the public housing agency or under a waiver by the local governing body; or

(III) due to failure of a local public body or bodies other than the public housing agency to perform any obligation under such agreement; or

(B) the agency complies with the requirements under subparagraph (A) with respect to public housing developments (including public housing units in mixed-income developments), but the agency agrees that the units other than public housing units in any mixed-income developments (as such term is defined in section 1221(c)(2)) shall be subject to any otherwise applicable real property taxes imposed by the State, city, county or other political subdivision.

(2) EFFECT OF FAILURE TO EXEMPT FROM TAXATION.—Notwithstanding paragraph (1), a public housing agency that does not comply with the requirements under such paragraph may receive a block grant under this title, but only if the State, city, county, or other political subdivision in which the development is situated contributes, in the form of cash or tax remission, the amount by which the taxes paid with respect to the development exceed 10 percent of the gross rent and utility cost charged in the development.

(f) LOCAL COOPERATION.—In recognition that there should be local determination of the need for low-income housing to meet

needs not being adequately met by private enterprise, the Secretary may not make any grant under this title to a public housing agency unless the governing body of the locality involved has entered into an agreement with the agency providing for the local cooperation required by the Secretary pursuant to this title. The Secretary shall require that each such agreement for local cooperation shall provide that, notwithstanding any order, judgment, or decree of any court (including any settlement order), before making any amounts provided under a grant under this title available for use for the production of any housing or other property not previously used as public housing, the public housing agency shall—

(1) notify the chief executive officer (or other appropriate official) of the unit of general local government in which the public housing for which such amounts are to be so used is located (or to be located) of such use; and

(2) pursuant to the request of such unit of general local government, provide such information as may reasonably be requested by such unit of general local government regarding the public housing to be so assisted (except to the extent otherwise prohibited by law) and consult with representatives of such local government regarding the public housing.

(g) EXCEPTION.—Notwithstanding subsection (a), the Secretary may make a grant under this title for a public housing agency that is not an eligible public housing agency but only for the period necessary to secure, in accordance with this title, an alternative public housing agency for the public housing of the ineligible agency.

(h) RECAPTURE OF CAPITAL ASSISTANCE AMOUNTS.—The Secretary may recapture, from any grant amounts made available to a public housing agency from the capital fund, any portion of such amounts that are not used or obligated by the public housing agency for use for eligible activities under section 1203(a)(1) (or dedicated for use pursuant to section 1202(b)(2)(A)) before the expiration of the 24-month period beginning upon the award of such grant to the agency.

SEC. 1203. ELIGIBLE AND REQUIRED ACTIVITIES.

(a) ELIGIBLE ACTIVITIES.—Except as provided in subsection (b) and in section 1202(b)(2), grant amounts allocated and provided from the capital fund and grant amounts allocated and provided from the operating fund may be used for the following activities:

(1) CAPITAL FUND ACTIVITIES.—Grant amounts from the capital fund may be used for—

(A) the production and modernization of public housing developments, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings and the production of mixed-income developments;

(B) vacancy reduction;

(C) addressing deferred maintenance needs and the replacement of dwelling equipment;

(D) planned code compliance;

(E) management improvements;

(F) demolition and replacement under section 1261;

(G) tenant relocation;

(H) capital expenditures to facilitate programs to improve the economic empowerment and self-sufficiency of public housing tenants; and

(I) capital expenditures to improve the security and safety of residents.

(2) OPERATING FUND ACTIVITIES.—Grant amounts from the operating fund may be used for—

(A) procedures and systems to maintain and ensure the efficient management and operation of public housing units;

(B) activities to ensure a program of routine preventative maintenance;

(C) anti-crime and anti-drug activities, including the costs of providing adequate security for public housing tenants;

(D) activities related to the provision of services, including service coordinators for elderly persons or persons with disabilities and including child care services for public housing residents;

(E) activities to provide for management and participation in the management of public housing by public housing tenants;

(F) the costs associated with the operation and management of mixed-income developments;

(G) the costs of insurance;

(H) the energy costs associated with public housing units, with an emphasis on energy conservation;

(I) the costs of administering a public housing community work program under section 1105, including the costs of any related insurance needs; and

(J) activities in connection with a homeownership program for public housing residents under subtitle D, including providing financing or assistance for purchasing housing, or the provision of financial assistance to resident management corporations or resident councils to obtain training, technical assistance, and educational assistance to promote homeownership opportunities.

(b) REQUIRED CONVERSION OF ASSISTANCE FOR PUBLIC HOUSING TO RENTAL HOUSING ASSISTANCE.—

(1) REQUIREMENT.—A public housing agency that receives grant amounts under this title shall provide assistance in the form of rental housing assistance under title XIII, or appropriate site revitalization or other appropriate capital improvements approved by the Secretary, in lieu of assisting the operation and modernization of any building or buildings of public housing, if the agency provides sufficient evidence to the Secretary that the building or buildings—

(A) are on the same or contiguous sites;

(B) consist of more than 300 dwelling units;

(C) have a vacancy rate of at least 10 percent for dwelling units not in funded, on-schedule modernization programs;

(D) are identified as distressed housing for which the public housing agency cannot assure the long-term viability as public housing through reasonable revitalization, density reduction, or achievement of a broader range of household income; and

(E) have an estimated cost of continued operation and modernization as public housing that exceeds the cost of providing choice-based rental assistance under title XIII for all families in occupancy, based on appropriate indicators of cost (such as the percentage of the total development cost required for modernization).

Public housing agencies shall identify properties that meet the definition of subparagraphs (A) through (E) and shall consult with the appropriate public housing residents and the appropriate unit of general local government in identifying such properties.

(2) USE OF OTHER AMOUNTS.—In addition to grant amounts under this title attributable (pursuant to the formulas under section 1204) to the building or buildings identified under paragraph (1), the Secretary may use amounts provided in appropriation Acts for choice-based housing assistance under title XIII for families residing in such building or buildings or for appropriate site revitalization or other appropriate capital improvements approved by the Secretary.

(3) ENFORCEMENT.—The Secretary shall take appropriate action to ensure conversion of any building or buildings identified under paragraph (1) and any other appropriate action under this subsection, if the public housing agency fails to take appropriate action under this subsection.

(4) FAILURE OF PHA'S TO COMPLY WITH CONVERSION REQUIREMENT.—If the Secretary determines that—

(A) a public housing agency has failed under paragraph (1) to identify a building or buildings in a timely manner,

(B) a public housing agency has failed to identify one or more buildings which the Secretary determines should have been identified under paragraph (1), or

(C) one or more of the buildings identified by the public housing agency pursuant to paragraph (1) should not, in the determination of the Secretary, have been identified under that paragraph,

the Secretary may identify a building or buildings for conversion and take other appropriate action pursuant to this subsection.

(5) CESSATION OF UNNECESSARY SPENDING.—Notwithstanding any other provision of law, if, in the determination of the Secretary, a building or buildings meets or is likely to meet the criteria set forth in paragraph (1), the Secretary may direct the public housing agency to cease additional spending in connection with such building or buildings, except to the extent that additional spending is necessary to ensure safe, clean, and healthy housing until the Secretary determines or approves an appropriate course of action with respect to such building or buildings under this subsection.

(6) USE OF BUDGET AUTHORITY.—Notwithstanding any other provision of law, if a building or buildings are identified pursuant to paragraph (1), the Secretary may authorize or direct the transfer, to the choice-based or tenant-based assistance program of such agency or to appropriate site revitalization or other capital improvements approved by the Secretary, of—

(A) in the case of an agency receiving assistance under the comprehensive improvement assistance program, any amounts obligated by the Secretary for the modernization of such building or buildings pursuant to section 14 of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 1601(b));

(B) in the case of an agency receiving public housing modernization assistance by formula pursuant to such section 14, any amounts provided to the agency which are attributable pursuant to the formula for allocating such assistance to such building or buildings;

(C) in the case of an agency receiving assistance for the major reconstruction of obsolete projects, any amounts obligated by the Secretary for the major reconstruction of such building or buildings pursuant to section 5(j)(2) of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 1601(b); and

(D) in the case of an agency receiving assistance pursuant to the formulas under section 1204, any amounts provided to the agency which are attributable pursuant to the formulas for allocating such assistance to such building or buildings.

(7) RELOCATION REQUIREMENTS.—Any public housing agency carrying out conversion of public housing under this subsection shall—

(A) notify the families residing in the public housing development subject to the conversion, in accordance with any guidelines issued by the Secretary governing such notifications, that—

(i) the development will be removed from the inventory of the public housing agency; and

(ii) the families displaced by such action will receive choice-based housing assistance

or occupancy in a unit operated or assisted by the public housing agency;

(B) ensure that each family that is a resident of the development is relocated to other safe, clean, and healthy affordable housing, which is, to the maximum extent practicable, housing of the family's choice, including choice-based assistance under title XIII (provided that with respect to choice-based assistance, the preceding requirement shall be fulfilled only upon the relocation of such family into such housing);

(C) provide any necessary counseling for families displaced by such action to facilitate relocation; and

(D) provide any reasonable relocation expenses for families displaced by such action.

(8) TRANSITION.—Any amounts made available to a public housing agency to carry out section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (enacted as section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–279)) may be used, to the extent or in such amounts as are or have been provided in advance in appropriation Acts, to carry out this section. The Secretary shall provide for public housing agencies to conform and continue actions taken under such section 202 in accordance with the requirements under this section.

(c) EXTENSION OF DEADLINES.—The Secretary may, for a public housing agency, extend any deadline established pursuant to this section or a local housing management plan for up to an additional 5 years if the Secretary makes a determination that the deadline is impracticable.

(d) COMPLIANCE WITH PLAN.—The local housing management plan submitted by a public housing agency (including any amendments to the plan), unless determined under section 1107 not to comply with the requirements under section 1106, shall be binding upon the Secretary and the public housing agency and the agency shall use any grant amounts provided under this title for eligible activities under subsection (a) in accordance with the plan. This subsection may not be construed to preclude changes or amendments to the plan, as authorized under section 1107 or any actions authorized by this division to be taken without regard to a local housing management plan.

(e) ELIGIBLE ACTIVITIES FOR INCREASED INCOME.—Any public housing agency that derives increased nonrental or rental income, as referred to in subsection (c)(2)(B) or (d)(1)(D) of section 1204 or pursuant to provision of mixed-income developments under section 1221(c)(2), may use such amounts for any eligible activity under paragraph (1) or (2) of subsection (a) of this section or for providing choice-based housing assistance under title XIII.

SEC. 1204. DETERMINATION OF GRANT ALLOCATION.

(a) IN GENERAL.—For each fiscal year, after reserving amounts under section 1111 from the aggregate amount made available for the fiscal year for carrying out this title, the Secretary shall allocate any remaining amounts among eligible public housing agencies in accordance with this section, so that the sum of all of the allocations for all eligible authorities is equal to such remaining amount.

(b) ALLOCATION AMOUNT.—The Secretary shall determine the amount of the allocation for each eligible public housing agency, which shall be—

(1) for any fiscal year beginning after the enactment of a law containing the formulas described in paragraphs (1) and (2) of subsection (c), the sum of the amounts determined for the agency under each such formula; or

(2) for any fiscal year beginning before the expiration of such period, the sum of—

(A) the operating allocation determined under subsection (d)(1) for the agency; and

(B) the capital improvement allocation determined under subsection (d)(2) for the agency.

(c) PERMANENT ALLOCATION FORMULAS FOR CAPITAL AND OPERATING FUNDS.—

(1) ESTABLISHMENT OF CAPITAL FUND FORMULA.—The formula under this paragraph shall provide for allocating assistance under the capital fund for a fiscal year. The formula may take into account such factors as—

(A) the number of public housing dwelling units owned or operated by the public housing agency, the characteristics and locations of the developments, and the characteristics of the families served and to be served (including the incomes of the families);

(B) the need of the public housing agency to carry out rehabilitation and modernization activities, and reconstruction, production, and demolition activities related to public housing dwelling units owned or operated by the public housing agency, including backlog and projected future needs of the agency;

(C) the cost of constructing and rehabilitating property in the area; and

(D) the need of the public housing agency to carry out activities that provide a safe and secure environment in public housing units owned or operated by the public housing agency.

(2) ESTABLISHMENT OF OPERATING FUND FORMULA.—

(A) IN GENERAL.—The formula under this paragraph shall provide for allocating assistance under the operating fund for a fiscal year. The formula may take into account such factors as—

(i) standards for the costs of operating and reasonable projections of income, taking into account the characteristics and locations of the public housing developments and characteristics of the families served and to be served (including the incomes of the families), or the costs of providing comparable services as determined in accordance with criteria or a formula representing the operations of a prototype well-managed public housing development;

(ii) the number of public housing dwelling units owned or operated by the public housing agency;

(iii) the need of the public housing agency to carry out anti-crime and anti-drug activities, including providing adequate security for public housing residents; and

(iv) any record by the public housing agency of exemplary performance in the operation of public housing.

(B) INCENTIVE TO INCREASE INCOME.—The formula shall provide an incentive to encourage public housing agencies to increase nonrental income and to increase rental income attributable to their units by encouraging occupancy by families whose incomes have increase while in occupancy and newly admitted families. Any such incentive shall provide that the agency shall derive the full benefit of any increase in nonrental or rental income, and such increase shall not result in a decrease in amounts provided to the agency under this title. In addition, an agency shall be permitted to retain, from each fiscal year, the full benefit of such an increase in nonrental or rental income, except to the extent that such benefit exceeds (i) 100 percent of the total amount of the operating allocation for which the agency is eligible under this section, and (ii) the maximum balance permitted for the agency's operating reserve under this section and any regulations issued under this section.

(C) TREATMENT OF UTILITY RATES.—The formula shall not take into account the amount of any cost reductions for a public housing agency due to the difference between projected and actual utility rates attributable to actions that are taken by the agency which lead to such reductions, as determined by the Secretary. In the case of any public housing agency that receives financing from any person or entity other than the Secretary or enters into a performance contract to undertake energy conservation improvements in a public housing development, under which the payment does not exceed the cost of the energy saved as a result of the improvements during a reasonable negotiated contract period, the formula shall not take into account the amount of any cost reductions for the agency due to the differences between projected and actual utility consumption attributable to actions that are taken by the agency which lead to such reductions, as determined by the Secretary. Notwithstanding the preceding 2 sentences, after the expiration of the 10-year period beginning upon the savings initially taking effect, the Secretary may reduce the amount allocated to the agency under the formula by up to 50 percent of such differences.

(3) CONSIDERATION OF PERFORMANCE, COSTS, AND OTHER FACTORS.—The formulas under paragraphs (1) and (2) should each reward performance and may each consider appropriate factors that reflect the different characteristics and sizes of public housing agencies, the relative needs, revenues, costs, and capital improvements of agencies, and the relative costs to agencies of operating a well-managed agency that meets the performance targets for the agency established in the local housing management plan for the agency.

(4) DEVELOPMENT UNDER NEGOTIATED RULEMAKING PROCEDURE.—The formulas under this subsection shall be developed according to procedures for issuance of regulations under the negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code, except that the formulas shall not be contained in a regulation.

(5) REPORT.—Not later than the expiration of the 12-month period beginning upon the enactment of this Act, the Secretary shall submit a report to the Congress containing the proposed formulas established pursuant to paragraph (4) that meets the requirements of this subsection.

(d) INTERIM ALLOCATION REQUIREMENTS.—

(1) OPERATING ALLOCATION.—

(A) APPLICABILITY TO APPROPRIATED AMOUNTS.—Of any amounts available for allocation under this subsection for a fiscal year, an amount shall be used only to provide amounts for operating allocations under this paragraph for eligible public housing agencies that bears the same ratio to such total amount available for allocation that the amount appropriated for fiscal year 1997 for operating subsidies under section 9 of the United States Housing Act of 1937 bears to the sum of such operating subsidy amounts plus the amounts appropriated for such fiscal year for modernization under section 14 of such Act.

(B) DETERMINATION.—The operating allocation under this paragraph for a public housing agency for a fiscal year shall be an amount determined by applying, to the amount to be allocated under this paragraph, the formula used for determining the distribution of operating subsidies for fiscal year 1997 to public housing agencies (as modified under subparagraphs (C) and (D)) under section 9 of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 1601(b).

(C) TREATMENT OF CHRONICALLY VACANT UNITS.—The Secretary shall revise the formula referred to in subparagraph (B) so that the formula does not provide any amounts, other than utility costs and other necessary costs (such as costs necessary for the protection of persons and property), attributable to any dwelling unit of a public housing agency that has been vacant continuously for 6 or more months. A unit shall not be considered vacant for purposes of this paragraph if the unit is unoccupied because of rehabilitation or renovation that is on schedule.

(D) TREATMENT OF INCREASES IN INCOME.—The Secretary shall revise the formula referred to in subparagraph (B) to provide an incentive to encourage public housing agencies to increase nonrental income and to increase rental income attributable to their units by encouraging occupancy by families whose incomes have increased while in occupancy and newly admitted families. Any such incentive shall provide that the agency shall derive the full benefit of any increase in nonrental or rental income, and such increase shall not result in a decrease in amounts provided to the agency under this title. In addition, an agency shall be permitted to retain, from each fiscal year, the full benefit of such an increase in nonrental or rental income, except that such benefit may not be retained if—

(i) the agency's operating allocation equals 100 percent of the amount for which it is eligible under section 9 of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 1601(b) of this Act; and

(ii) the agency's operating reserve balance is equal to the maximum amount permitted under section 9 of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 1601(b) of this Act.

(2) CAPITAL IMPROVEMENT ALLOCATION.—

(A) APPLICABILITY TO APPROPRIATED AMOUNTS.—Of any amounts available for allocation under this subsection for a fiscal year, an amount shall be used only to provide amounts for capital improvement allocations under this paragraph for eligible public housing agencies that bears the same ratio to such total amount available for allocation that the amount appropriated for fiscal year 1997 for modernization under section 14 of the United States Housing Act of 1937 bears to the sum of such modernization amounts plus the amounts appropriated for such fiscal year for operating subsidies under section 9 of such Act.

(B) DETERMINATION.—The capital improvement allocation under this paragraph for an eligible public housing agency for a fiscal year shall be determined by applying, to the amount to be allocated under this paragraph, the formula used for determining the distribution of modernization assistance for fiscal year 1997 to public housing agencies under section 14 of the United States Housing Act of 1937, as in effect immediately before the effective date of the repeal under section 1601(b), except that the Secretary shall establish a method for taking into consideration allocation of amounts under the comprehensive improvement assistance program.

(e) ELIGIBILITY OF UNITS ACQUIRED FROM PROCEEDS OF SALES UNDER DEMOLITION OR DISPOSITION PLAN.—If a public housing agency uses proceeds from the sale of units under a homeownership program in accordance with section 1251 to acquire additional units to be sold to low-income families, the additional units shall be counted as public housing for purposes of determining the amount of the allocation to the agency under this section until sale by the agency, but in any case no longer than 5 years.

SEC. 1205. SANCTIONS FOR IMPROPER USE OF AMOUNTS.

(a) IN GENERAL.—In addition to any other actions authorized under this title, if the Secretary finds pursuant to an audit under section 1541 that a public housing agency receiving grant amounts under this title has failed to comply substantially with any provision of this title, the Secretary may—

(1) terminate payments under this title to the agency;

(2) withhold from the agency amounts from the total allocation for the agency pursuant to section 1204;

(3) reduce the amount of future grant payments under this title to the agency by an amount equal to the amount of such payments that were not expended in accordance with this title;

(4) limit the availability of grant amounts provided to the agency under this title to programs, projects, or activities not affected by such failure to comply;

(5) withhold from the agency amounts allocated for the agency under title XIII; or

(6) order other corrective action with respect to the agency.

(b) TERMINATION OF COMPLIANCE ACTION.—If the Secretary takes action under subsection (a) with respect to a public housing agency, the Secretary shall—

(1) in the case of action under subsection (a)(1), resume payments of grant amounts under this title to the agency in the full amount of the total allocation under section 1204 for the agency at the time that the Secretary first determines that the agency will comply with the provisions of this title;

(2) in the case of action under paragraph (2), (5), or (6) of subsection (a), make withheld amounts available as the Secretary considers appropriate to ensure that the agency complies with the provisions of this title; or

(3) in the case of action under subsection (a)(4), release such restrictions at the time that the Secretary first determines that the agency will comply with the provisions of this title.

Subtitle B—Admissions and Occupancy Requirements

SEC. 1221. LOW-INCOME HOUSING REQUIREMENT.

(a) PRODUCTION ASSISTANCE.—Any public housing produced using amounts provided under a grant under this title or under the United States Housing Act of 1937 shall be operated as public housing for the 40-year period beginning upon such production.

(b) OPERATING ASSISTANCE.—No portion of any public housing development operated with amounts from a grant under this title or operating assistance provided under the United States Housing Act of 1937 may be disposed of before the expiration of the 10-year period beginning upon the conclusion of the fiscal year for which the grant or such assistance was provided, except as provided in this Act.

(c) CAPITAL IMPROVEMENTS ASSISTANCE.—Amounts may be used for eligible activities under section 1203(a)(1) only for the following housing developments:

(1) LOW-INCOME DEVELOPMENTS.—Amounts may be used for a low-income housing development that—

(A) is owned by public housing agencies;

(B) is operated as low-income rental housing and produced or operated with assistance provided under a grant under this title; and

(C) is consistent with the purposes of this title.

Any development, or portion thereof, referred to in this paragraph for which activities under section 1203(a)(1) are conducted using amounts from a grant under this title shall be maintained and used as public housing for the 20-year period beginning upon the receipt of such grant. Any public housing development, or portion thereof, that received the benefit of a grant pursuant to section 14 of the United States Housing Act of 1937 shall be maintained and used as public housing for the 20-year period beginning upon receipt of such amounts.

(2) MIXED INCOME DEVELOPMENTS.—Amounts may be used for eligible activities under section 1203(a)(1) for mixed-income developments, which shall be a housing development that—

(A) contains dwelling units that are available for occupancy by families other than low-income families;

(B) contains a number of dwelling units—

(i) which units are made available (by master contract or individual lease) for occupancy only by low- and very low-income families identified by the public housing agency;

(ii) which number is not less than a reasonable number of units, including related amenities, taking into account the amount of the assistance provided by the agency compared to the total investment (including costs of operation) in the development;

(iii) which units are subject to the statutory and regulatory requirements of the public housing program, except that the Secretary may grant appropriate waivers to such statutory and regulatory requirements if reductions in funding or other changes to the program make continued application of such requirements impracticable;

(iv) which units are specially designated as dwelling units under this subparagraph, except the equivalent units in the development may be substituted for designated units during the period the units are subject to the requirements of the public housing program; and

(v) which units shall be eligible for assistance under this title; and

(C) is owned by the public housing agency, an affiliate controlled by it, or another appropriate entity.

Notwithstanding any other provision of this title, to facilitate the establishment of socioeconomically mixed communities, a public housing agency that uses grant amounts under this title for a mixed income development under this paragraph may, to the extent that income from such a development reduces the amount of grant amounts used for operating or other costs relating to public housing, use such resulting savings to rent privately developed dwelling units in the neighborhood of the mixed income development. Such units shall be made available for occupancy only by low-income families eligible for residency in public housing.

SEC. 1222. FAMILY ELIGIBILITY.

(a) IN GENERAL.—Dwelling units in public housing may be rented only to families who are low-income families at the time of their initial occupancy of such units.

(b) INCOME MIX WITHIN DEVELOPMENTS.—A public housing agency may establish and utilize income-mix criteria for the selection of residents for dwelling units in public housing developments that limit admission to a development by selecting applicants having incomes appropriate so that the mix of incomes of families occupying the development at any time is proportional to the income mix in the eligible population of the jurisdiction of the agency at such time, as adjusted to take into consideration the severity of housing need. Any criteria established under this subsection shall be subject to the provisions of subsection (c).

(c) INCOME MIX.—

(1) PHA INCOME MIX.—Of the public housing dwelling units of a public housing agency made available for occupancy by eligible families, not less than 35 percent shall be occupied by families whose incomes at the

time of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary, may for purposes of this subsection, establish income ceilings higher or lower than 30 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes. This paragraph may not be construed to create any authority on the part of any public housing agency to evict any family residing in public housing solely because of the income of the family or because of any noncompliance or overcompliance with the requirement of this paragraph.

(2) PROHIBITION OF CONCENTRATION OF LOW-INCOME FAMILIES.—A public housing agency may not, in complying with the requirements under paragraph (1), concentrate very low-income families (or other families with relatively low incomes) in public housing dwelling units in certain public housing developments or certain buildings within developments. The Secretary may review the income and occupancy characteristics of the public housing developments, and the buildings of such developments, of public housing agencies to ensure compliance with the provisions of this paragraph.

(3) FUNGIBILITY WITH CHOICE-BASED ASSISTANCE.—If, during a fiscal year, a public housing agency provides choice-based housing assistance under title XIII for a number of low-income families, who are initially assisted by the agency in such year and have incomes described in section 1321(b) (relating to income targeting), which exceeds the number of families that is required for the agency to comply with the percentage requirement under such section 1321(b) for such fiscal year, notwithstanding paragraph (1) of this subsection, the number of public housing dwelling units that the agency must otherwise make available in accordance with such paragraph to comply with the percentage requirement under such paragraph shall be reduced by such excess number of families for such fiscal year.

(d) WAIVER OF ELIGIBILITY REQUIREMENTS FOR OCCUPANCY BY POLICE OFFICERS.—

(1) AUTHORITY AND WAIVER.—To the extent necessary to provide occupancy in public housing dwelling units to police officers and other law enforcement or security personnel (who are not otherwise eligible for residence in public housing) and to increase security for other public housing residents in developments where crime has been a problem, a public housing agency may, with respect to such units and subject to paragraph (2)—

(A) waive—

(i) the provisions of subsection (a) of this section and section 1225(a); and

(ii) the applicability of—

(I) any preferences for occupancy established under section 1223;

(II) the minimum rental amount established pursuant to section 1225(c) and any maximum monthly rental amount established pursuant to section 1225(b);

(III) any criteria relating to income mix within developments established under subsection (b);

(IV) the income mix requirements under subsection (c); and

(V) any other occupancy limitations or requirements; and

(B) establish special rent requirements and other terms and conditions of occupancy.

(2) CONDITIONS OF WAIVER.—A public housing agency may take the actions authorized in paragraph (1) only if agency determines that such actions will increase security in the public housing developments involved and will not result in a significant reduction of units available for residence by low-income families.

SEC. 1223. PREFERENCES FOR OCCUPANCY.

(a) AUTHORITY TO ESTABLISH.—Each public housing agency may establish a system for making dwelling units in public housing available for occupancy that provides preference for such occupancy to families having certain characteristics.

(b) CONTENT.—Each system of preferences established pursuant to this section shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 1106(e) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction.

(c) SENSE OF THE CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, public housing agencies involved in the selection of tenants under the provisions of this title should adopt preferences for individuals who are victims of domestic violence.

SEC. 1224. ADMISSION PROCEDURES.

(a) ADMISSION REQUIREMENTS.—A public housing agency shall ensure that each family residing in a public housing development owned or administered by the agency is admitted in accordance with the procedures established under this title by the agency and the income limits under section 1222.

(b) NOTIFICATION OF APPLICATION DECISIONS.—A public housing agency shall establish procedures designed to provide for notification to an applicant for admission to public housing of the determination with respect to such application, the basis for the determination, and, if the applicant is determined to be eligible for admission, the projected date of occupancy (to the extent such date can reasonably be determined). If an agency denies an applicant admission to public housing, the agency shall notify the applicant that the applicant may request an informal hearing on the denial within a reasonable time of such notification.

(c) SITE-BASED WAITING LISTS.—A public housing agency may establish procedures for maintaining waiting lists for admissions to public housing developments of the agency, which may include (notwithstanding any other law, regulation, handbook, or notice to the contrary) a system of site-based waiting lists whereby applicants may apply directly at or otherwise designate the development or developments in which they seek to reside. All such procedures shall comply with all provisions of title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable civil rights laws.

(d) CONFIDENTIALITY FOR VICTIMS OF DOMESTIC VIOLENCE.—A public housing agency shall be subject to the restrictions regarding release of information relating to the identity and new residence of any family in public housing that was a victim of domestic violence that are applicable to shelters pursuant to the Family Violence Prevention and Services Act. The agency shall work with the United States Postal Service to establish procedures consistent with the confidentiality provisions in the Violence Against Women Act of 1994.

(e) TRANSFERS.—A public housing agency may apply, to each public housing resident seeking to transfer from one development to another development owned or operated by the agency, the screening procedures applicable at such time to new applicants for public housing.

SEC. 1225. FAMILY CHOICE OF RENTAL PAYMENT.

(a) RENTAL CONTRIBUTION BY RESIDENT.—A family residing in a public housing dwelling shall pay as monthly rent for the unit the amount determined under paragraph (1) or (2) of subsection (b), subject to the requirement under subsection (c). Each public housing agency shall provide for each family residing in a public housing dwelling unit owned or administered by the agency to elect annually whether the rent paid by such family shall be determined under paragraph (1) or (2) of subsection (b).

(b) ALLOWABLE RENT STRUCTURES.—

(1) FLAT RENTS.—Each public housing agency shall establish, for each dwelling unit in public housing owned or administered by the agency, a flat rental amount for the dwelling unit, which shall—

(A) be based on the rental value of the unit, as determined by the public housing agency; and

(B) be designed in accordance with subsection (e) so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

The rental amount for a dwelling unit shall be considered to comply with the requirements of this paragraph if such amount does not exceed the actual monthly costs to the public housing agency attributable to providing and operating the dwelling unit. The preceding sentence may not be construed to require establishment of rental amounts equal to or based on operating costs or to prevent public housing agencies from developing flat rents required under this paragraph in any other manner that may comply with this paragraph.

(2) INCOME-BASED RENTS.—The monthly rental amount determined under this paragraph for a family shall be an amount, determined by the public housing agency, that does not exceed the greatest of the following amounts (rounded to the nearest dollar):

(A) 30 percent of the monthly adjusted income of the family.

(B) 10 percent of the monthly income of the family.

(C) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

Nothing in this paragraph may be construed to require a public housing agency to charge a monthly rent in the maximum amount permitted under this paragraph.

(c) MINIMUM RENTAL AMOUNT.—Notwithstanding the method for rent determination elected by a family pursuant to subsection (a), each public housing agency shall require that the monthly rent for each dwelling unit in public housing owned or administered by the agency shall not be less than a minimum amount (which amount shall include any amount allowed for utilities), which shall be an amount determined by the agency that is not less than $25 nor more than $50.

(d) HARDSHIP PROVISIONS.—

(1) MINIMUM RENTAL.—

(A) IN GENERAL.—Notwithstanding subsection (c), a public housing agency shall grant an exemption from application of the minimum monthly rental under such subsection to any family unable to pay such amount because of financial hardship, which shall include situations in which (i) the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program, including a family that includes a member who is an

alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; (ii) the family would be evicted as a result of the imposition of the minimum rent requirement under subsection (c); (iii) the income of the family has decreased because of changed circumstance, including loss of employment; and (iv) a death in the family has occurred; and other situations as may be determined by the agency.

(B) WAITING PERIOD.—If a resident requests a hardship exemption under this paragraph and the public housing agency reasonably determines the hardship to be of a temporary nature, an exemption shall not be granted during the 90-day period beginning upon the making of a request for the exemption. A resident may not be evicted during such 90-day period for nonpayment of rent. In such a case, if the resident thereafter demonstrates that the financial hardship is of a long-term basis, the agency shall retroactively exempt the resident from the applicability of the minimum rent requirement for such 90-day period.

(2) SWITCHING RENT DETERMINATION METHODS.—Notwithstanding subsection (a), in the case of a family that has elected to pay rent in the amount determined under subsection (b)(1), a public housing agency shall provide for the family to pay rent in the amount determined under subsection (b)(2) during the period for which such election was made if the family is unable to pay the amount determined under subsection (b)(1) because of financial hardship, including—

(A) situations in which the income of the family has decreased because of changed circumstances, loss of reduction of employment, death in the family, and reduction in or loss of income or other assistance;

(B) an increase, because of changed circumstances, in the family's expenses for—

(i) medical costs;

(ii) child care;

(iii) transportation;

(iv) education; or

(v) similar items; and

(C) such other situations as may be determined by the agency.

(e) ENCOURAGEMENT OF SELF-SUFFICIENCY.—The rental policy developed by each public housing agency shall encourage and reward employment and economic self-sufficiency.

(f) INCOME REVIEWS.—Each public housing agency shall review the income of each family occupying a dwelling unit in public housing owned or administered by the agency not less than annually, except that, in the case of families that are paying rent in the amount determined under subsection (b)(1), the agency shall review the income of such family not less than once every 3 years.

(g) DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the rent payable under this section by a family whose income increases as a result of 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 any 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 RENT 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) shall be phased in over a subsequent 3-year period.

(3) TRANSITION.—Notwithstanding the provisions of paragraphs (1) and (2), any resident of public housing participating in the program under the authority contained in the undesignated paragraph at the end of section 3(c)(3) of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act) shall be governed by such authority after such date.

(h) PHASE-IN OF RENT CONTRIBUTION INCREASES AFTER EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), for any family residing in a dwelling unit in public housing upon the effective date of this division, if the monthly contribution for rental of an assisted dwelling unit to be paid by the family upon initial applicability of this title is greater than the amount paid by the family under the provisions of the United States Housing Act of 1937 immediately before such applicability, any such resulting increase in rent contribution shall be—

(A) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more of such contribution before initial applicability; and

(B) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent of such contribution before initial applicability.

(2) EXCEPTION.—The minimum rental amount under subsection (c) shall apply to each family described in paragraph (1) of this subsection, notwithstanding such paragraph.

SEC. 1226. LEASE REQUIREMENTS.

In renting dwelling units in a public housing development, each public housing agency shall utilize leases that—

(1) do not contain unreasonable terms and conditions;

(2) obligate the public housing agency to maintain the development in compliance with the housing quality requirements under section 1232;

(3) require the public housing agency to give adequate written notice of termination of the lease, which shall not be less than—

(A) the period provided under the applicable law of the jurisdiction or 14 days, whichever is less, in the case of nonpayment of rent;

(B) a reasonable period of time, but not to exceed 14 days, when the health or safety of other residents or public housing agency employees is threatened; and

(C) the period of time provided under the applicable law of the jurisdiction, in any other case;

(4) contain the provisions required under sections 1642 and 1643 (relating to limitations on occupancy in federally assisted housing); and

(5) specify that, with respect to any notice of eviction or termination, notwithstanding any State law, a public housing resident shall be informed of the opportunity, prior to any hearing or trial, to examine any relevant documents, records or regulations directly related to the eviction or termination.

SEC. 1227. DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES.

(a) AUTHORITY TO PROVIDE DESIGNATED HOUSING.—

(1) IN GENERAL.—Subject only to provisions of this section and notwithstanding any other provision of law, a public housing agency for which the information required under subsection (d) is in effect may provide public housing developments (or portions of developments) designated for occupancy by (A) only elderly families, (B) only disabled families, or (C) elderly and disabled families.

(2) PRIORITY FOR OCCUPANCY.—In determining priority for admission to public housing developments (or portions of developments) that are designated for occupancy as provided in paragraph (1), the public housing agency may make units in such developments (or portions) available only to the types of families for whom the development is designated.

(3) ELIGIBILITY OF NEAR-ELDERLY FAMILIES.—If a public housing agency determines that there are insufficient numbers of elderly families to fill all the units in a development (or portion of a development) designated under paragraph (1) for occupancy by only elderly families, the agency may provide that near-elderly families may occupy dwelling units in the development (or portion).

(b) STANDARDS REGARDING EVICTIONS.—Except as provided in subtitle C of title XVI, any tenant who is lawfully residing in a dwelling unit in a public housing development may not be evicted or otherwise required to vacate such unit because of the designation of the development (or portion of a development) pursuant to this section or because of any action taken by the Secretary or any public housing agency pursuant to this section.

(c) RELOCATION ASSISTANCE.—A public housing agency that designates any existing development or building, or portion thereof, for occupancy as provided under subsection (a)(1) shall provide, to each person and family who agrees to be relocated in connection with such designation—

(1) notice of the designation and an explanation of available relocation benefits, as soon as is practicable for the agency and the person or family;

(2) access to comparable housing (including appropriate services and design features), which may include choice-based rental housing assistance under title XIII, at a rental rate paid by the tenant that is comparable to that applicable to the unit from which the person or family has vacated; and

(3) payment of actual, reasonable moving expenses.

(d) REQUIRED INCLUSIONS IN LOCAL HOUSING MANAGEMENT PLAN.—A public housing agency may designate a development (or portion of a development) for occupancy under subsection (a)(1) only if the agency, as part of the agency's local housing management plan—

(1) establishes that the designation of the development is necessary—

(A) to achieve the housing goals for the jurisdiction under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act; or

(B) to meet the housing needs of the low-income population of the jurisdiction; and

(2) includes a description of—

(A) the development (or portion of a development) to be designated;

(B) the types of tenants for which the development is to be designated;

(C) any supportive services to be provided to tenants of the designated development (or portion);

(D) how the design and related facilities (as such term is defined in section 202(d)(8) of the Housing Act of 1959) of the development accommodate the special environmental needs of the intended occupants; and

(E) any plans to secure additional resources or housing assistance to provide assistance to families that may have been housed if occupancy in the development were not restricted pursuant to this section.

For purposes of this subsection, the term ''supportive services'' means services designed to meet the special needs of residents. Notwithstanding section 1107, the Secretary may approve a local housing management plan without approving the portion of the

plan covering designation of a development pursuant to this section.

(e) EFFECTIVENESS.—

(1) INITIAL 5-YEAR EFFECTIVENESS.—The information required under subsection (d) shall be in effect for purposes of this section during the 5-year period that begins upon notification under section 1107(a) of the public housing agency that the information complies with the requirements under section 1106 and this section.

(2) RENEWAL.—Upon the expiration of the 5-year period under paragraph (1) or any 2-year period under this paragraph, an agency may extend the effectiveness of the designation and information for an additional 2-year period (that begins upon such expiration) by submitting to the Secretary any information needed to update the information. The Secretary may not limit the number of times a public housing agency extends the effectiveness of a designation and information under this paragraph.

(3) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this section, a public housing agency shall be considered to have submitted the information required under this section if the agency has submitted to the Secretary an application and allocation plan under section 7 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act) that has not been approved or disapproved before such effective date.

(4) TRANSITION PROVISION.—Any application and allocation plan approved under section 7 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act) before such effective date shall be considered to be the information required to be submitted under this section and that is in effect for purposes of this section for the 5-year period beginning upon such approval.

(f) INAPPLICABILITY OF UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITIONS POLICY ACT OF 1970.—No resident of a public housing development shall be considered to be displaced for purposes of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 because of the designation of any existing development or building, or portion thereof, for occupancy as provided under subsection (a) of this section.

(g) USE OF AMOUNTS.—Any amounts appropriated pursuant to section 10(b) of the Housing Opportunity Program Extension Act of 1996 (Public Law 104–120) may also be used, to the extent or in such amounts as are or have been provided in advance in appropriation Acts, for choice-based rental housing assistance under title XIII for public housing agencies to implement this section.

Subtitle C—Management

SEC. 1231. MANAGEMENT PROCEDURES.

(a) SOUND MANAGEMENT.—A public housing agency that receives grant amounts under this title shall establish and comply with procedures and practices sufficient to ensure that the public housing developments owned or administered by the agency are operated in a sound manner.

(b) ACCOUNTING SYSTEM FOR RENTAL COLLECTIONS AND COSTS.—

(1) ESTABLISHMENT.—Each public housing agency that receives grant amounts under this title shall establish and maintain a system of accounting for rental collections and costs (including administrative, utility, maintenance, repair, and other operating costs) for each project and operating cost center (as determined by the Secretary).

(2) ACCESS TO RECORDS.—Each public housing agency shall make available to the general public the information required pursuant to paragraph (1) regarding collections and costs.

(3) EXEMPTION.—The Secretary may permit authorities owning or operating fewer than 500 dwelling units to comply with the requirements of this subsection by accounting on an agency-wide basis.

(c) MANAGEMENT BY OTHER ENTITIES.—Except as otherwise provided under this division, a public housing agency may contract with any other entity to perform any of the management functions for public housing owned or operated by the public housing agency.

SEC. 1232. HOUSING QUALITY REQUIREMENTS.

(a) IN GENERAL.—Each public housing agency that receives grant amounts under this division shall maintain its public housing in a condition that complies—

(1) in the case of public housing located in a jurisdiction which has in effect laws, regulations, standards, or codes regarding habitability of residential dwellings, with such applicable laws, regulations, standards, or codes; or

(2) in the case of public housing located in a jurisdiction which does not have in effect laws, regulations, standards, or codes described in paragraph (1), with the housing quality standards established under subsection (b).

(b) FEDERAL HOUSING QUALITY STANDARDS.—The Secretary shall establish housing quality standards under this subsection that ensure that public housing dwelling units are safe, clean, and healthy. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extent practicable, be consistent with the standards established under section 1328(c). The Secretary shall differentiate between major and minor violations of such standards.

(c) DETERMINATIONS.—Each public housing agency providing housing assistance shall identify, in the local housing management plan of the agency, whether the agency is utilizing the standard under paragraph (1) or (2) of subsection (a).

(d) ANNUAL INSPECTIONS.—Each public housing agency that owns or operates public housing shall make an annual inspection of each public housing development to determine whether units in the development are maintained in accordance with the requirements under subsection (a). The agency shall retain the results of such inspections and, upon the request of the Secretary, the Inspector General for the Department of Housing and Urban Development, or any auditor conducting an audit under section 1541, shall make such results available.

SEC. 1233. EMPLOYMENT OF RESIDENTS.

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is amended—

(1) in subsection (c)(1)—

(A) in subparagraph (A)—

(i) by striking ''public and Indian housing agencies'' and inserting ''public housing agencies and recipients of grants under the Native American Housing Assistance and Self-Determination Act of 1996''; and

(ii) by striking ''development assistance'' and all that follows through the end and inserting ''assistance provided under title XII of the Housing Opportunity and Responsibility Act of 1997 and used for the housing production, operation, or capital needs.''; and

(B) in subparagraph (B)(ii), by striking ''managed by the public or Indian housing agency'' and inserting ''assisted by the public housing agency or the recipient of a grant under the Native American Housing Assistance and Self-Determination Act of 1996'';

(2) in subsection (d)(1)—

(A) in subparagraph (A)—

(i) by striking ''public and Indian housing agencies'' and inserting ''public housing agencies and recipients of grants under the Native American Housing Assistance and Self-Determination Act of 1996''; and

(ii) by striking ''development assistance'' and all that follows through ''section 14 of that Act'' and inserting ''assistance provided under title XII of the Housing Opportunity and Responsibility Act of 1997 and used for the housing production, operation, or capital needs''; and

(B) in subparagraph (B)(ii), by striking ''operated by the public or Indian housing agency'' and inserting ''assisted by the public housing agency or the recipient of a grant under the Native American Housing Assistance and Self-Determination Act of 1996'';

(3) in subsections (c)(1)(A) and (d)(1)(A), by striking ''make their best efforts,'' each place it appears and inserting ''to the maximum extent that is possible and'';

(4) in subsection (c)(1)(A), by striking ''to give'' and inserting ''give''; and

(5) in subsection (d)(1)(A), by striking ''to award'' and inserting ''award''.

SEC. 1234. RESIDENT COUNCILS AND RESIDENT MANAGEMENT CORPORATIONS.

(a) RESIDENT COUNCILS.—The residents of a public housing development may establish a resident council for the development for purposes of consideration of issues relating to residents, representation of resident interests, and coordination and consultation with a public housing agency. A resident council shall be an organization or association that—

(1) is nonprofit in character;

(2) is representative of the residents of the eligible housing;

(3) adopts written procedures providing for the election of officers on a regular basis; and

(4) has a democratically elected governing board, which is elected by the residents of the eligible housing on a regular basis.

(b) RESIDENT MANAGEMENT CORPORATIONS.—

(1) ESTABLISHMENT.—The residents of a public housing development may establish a resident management corporation for the purpose of assuming the responsibility for the management of the development under section 1235 or purchasing a development.

(2) REQUIREMENTS.—A resident management corporation shall be a corporation that—

(A) is nonprofit in character;

(B) is organized under the laws of the State in which the development is located;

(C) has as its sole voting members the residents of the development; and

(D) is established by the resident council for the development or, if there is not a resident council, by a majority of the households of the development.

SEC. 1235. MANAGEMENT BY RESIDENT MANAGEMENT CORPORATION.

(a) AUTHORITY.—A public housing agency may enter into a contract under this section with a resident management corporation to provide for the management of public housing developments by the corporation.

(b) CONTRACT.—A contract under this section for management of public housing developments by a resident management corporation shall establish the respective management rights and responsibilities of the corporation and the public housing agency. The contract shall be consistent with the requirements of this division applicable to public housing development and may include specific terms governing management personnel and compensation, access to public housing records, submission of and adherence to budgets, rent collection procedures,

resident income verification, resident eligibility determinations, resident eviction, the acquisition of supplies and materials and such other matters as may be appropriate. The contract shall be treated as a contracting out of services.

(c) BONDING AND INSURANCE.—Before assuming any management responsibility for a public housing development, the resident management corporation shall provide fidelity bonding and insurance, or equivalent protection. Such bonding and insurance, or its equivalent, shall be adequate to protect the Secretary and the public housing agency against loss, theft, embezzlement, or fraudulent acts on the part of the resident management corporation or its employees.

(d) BLOCK GRANT ASSISTANCE AND INCOME.—A contract under this section shall provide for—

(1) the public housing agency to provide a portion of the block grant assistance under this title to the resident management corporation for purposes of operating the public housing development covered by the contract and performing such other eligible activities with respect to the development as may be provided under the contract;

(2) the amount of income expected to be derived from the development itself (from sources such as rents and charges);

(3) the amount of income to be provided to the development from the other sources of income of the public housing agency (such as interest income, administrative fees, and rents); and

(4) any income generated by a resident management corporation of a public housing development that exceeds the income estimated under the contract shall be used for eligible activities under section 1203(a).

(e) CALCULATION OF TOTAL INCOME.—

(1) MAINTENANCE OF SUPPORT.—Subject to paragraph (2), the amount of assistance provided by a public housing agency to a public housing development managed by a resident management corporation may not be reduced during the 3-year period beginning on the date on which the resident management corporation is first established for the development.

(2) REDUCTIONS AND INCREASES IN SUPPORT.—If the total income of a public housing agency is reduced or increased, the income provided by the public housing agency to a public housing development managed by a resident management corporation shall be reduced or increased in proportion to the reduction or increase in the total income of the agency, except that any reduction in block grant amounts under this title to the agency that occurs as a result of fraud, waste, or mismanagement by the agency shall not affect the amount provided to the resident management corporation.

SEC. 1236. TRANSFER OF MANAGEMENT OF CERTAIN HOUSING TO INDEPENDENT MANAGER AT REQUEST OF RESIDENTS.

(a) AUTHORITY.—The Secretary may transfer the responsibility and authority for management of specified housing (as such term is defined in subsection (h)) from a public housing agency to an eligible management entity, in accordance with the requirements of this section, if—

(1) such housing is owned or operated by a public housing agency that is designated as a troubled agency under section 1533(a); and

(2) the Secretary determines that—

(A) such housing has deferred maintenance, physical deterioration, or obsolescence of major systems and other deficiencies in the physical plant of the project;

(B) such housing is occupied predominantly by families with children who are in a severe state of distress, characterized by such factors as high rates of unemployment, teenage pregnancy, single-parent households, long-term dependency on public assistance and minimal educational achievement;

(C) such housing is located in an area such that the housing is subject to recurrent vandalism and criminal activity (including drug-related criminal activity); and

(D) the residents can demonstrate that the elements of distress for such housing specified in subparagraphs (A) through (C) can be remedied by an entity that has a demonstrated capacity to manage, with reasonable expenses for modernization.

Such a transfer may be made only as provided in this section, pursuant to the approval by the Secretary of a request for the transfer made by a majority vote of the residents for the specified housing, after consultation with the public housing agency for the specified housing.

(b) BLOCK GRANT ASSISTANCE.—Pursuant to a contract under subsection (c), the Secretary shall require the public housing agency for specified housing to provide to the manager for the housing, from any block grant amounts under this title for the agency, fair and reasonable amounts for operating costs for the housing. The amount made available under this subsection to a manager shall be determined by the Secretary based on the share for the specified housing of the total block grant amounts for the public housing agency transferring the housing, taking into consideration the operating and capital improvement needs of the specified housing, the operating and capital improvement needs of the remaining public housing units managed by the public housing agency, and the local housing management plan of such agency.

(c) CONTRACT BETWEEN SECRETARY AND MANAGER.—

(1) REQUIREMENTS.—Pursuant to the approval of a request under this section for transfer of the management of specified housing, the Secretary shall enter into a contract with the eligible management entity.

(2) TERMS.— A contract under this subsection shall contain provisions establishing the rights and responsibilities of the manager with respect to the specified housing and the Secretary and shall be consistent with the requirements of this division applicable to public housing developments.

(d) COMPLIANCE WITH LOCAL HOUSING MANAGEMENT PLAN.—A manager of specified housing under this section shall comply with the approved local housing management plan applicable to the housing and shall submit such information to the public housing agency from which management was transferred as may be necessary for such agency to prepare and update its local housing management plan.

(e) DEMOLITION AND DISPOSITION BY MANAGER.—A manager under this section may demolish or dispose of specified housing only if, and in the manner, provided for in the local housing management plan for the agency transferring management of the housing.

(f) LIMITATION ON PHA LIABILITY.—A public housing agency that is not a manager for specified housing shall not be liable for any act or failure to act by a manager or resident council for the specified housing.

(g) TREATMENT OF MANAGER.—To the extent not inconsistent with this section and to the extent the Secretary determines not inconsistent with the purposes of this division, a manager of specified housing under this section shall be considered to be a public housing agency for purposes of this title.

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ELIGIBLE MANAGEMENT ENTITY.—The term ''eligible management entity'' means, with respect to any public housing development, any of the following entities:

(A) NONPROFIT ORGANIZATION.—A public or private nonprofit organization, which shall—

(i) include a resident management corporation or resident management organization and, as determined by the Secretary, a public or private nonprofit organization sponsored by the public housing agency that owns the development; and

(ii) not include the public housing agency that owns the development.

(B) FOR-PROFIT ENTITY.—A for-profit entity that has demonstrated experience in providing low-income housing.

(C) STATE OR LOCAL GOVERNMENT.—A State or local government, including an agency or instrumentality thereof.

(D) PUBLIC HOUSING AGENCY.—A public housing agency (other than the public housing agency that owns the development).

The term does not include a resident council.

(2) MANAGER.—The term ''manager'' means any eligible management entity that has entered into a contract under this section with the Secretary for the management of specified housing.

(3) NONPROFIT.—The term ''nonprofit'' means, with respect to an organization, association, corporation, or other entity, that no part of the net earnings of the entity inures to the benefit of any member, founder, contributor, or individual.

(4) PRIVATE NONPROFIT ORGANIZATION.—The term ''private nonprofit organization'' means any private organization (including a State or locally chartered organization) that—

(A) is incorporated under State or local law;

(B) is nonprofit in character;

(C) complies with standards of financial accountability acceptable to the Secretary; and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income families.

(5) PUBLIC HOUSING AGENCY.—The term ''public housing agency'' has the meaning given such term in section 1103(a).

(6) PUBLIC NONPROFIT ORGANIZATION.—The term ''public nonprofit organization'' means any public entity that is nonprofit in character.

(7) SPECIFIED HOUSING.—The term ''specified housing'' means a public housing development or developments, or a portion of a development or developments, for which the transfer of management is requested under this section. The term includes one or more contiguous buildings and an area of contiguous row houses, but in the case of a single building, the building shall be sufficiently separable from the remainder of the development of which it is part to make transfer of the management of the building feasible for purposes of this section.

SEC. 1237. RESIDENT OPPORTUNITY PROGRAM.

(a) PURPOSE.—The purpose of this section is to encourage increased resident management of public housing developments, as a means of improving existing living conditions in public housing developments, by providing increased flexibility for public housing developments that are managed by residents by—

(1) permitting the retention, and use for certain purposes, of any revenues exceeding operating and project costs; and

(2) providing funding, from amounts otherwise available, for technical assistance to promote formation and development of resident management entities.

For purposes of this section, the term ''public housing development'' includes one or more contiguous buildings or an area of contiguous row houses the elected resident

councils of which approve the establishment of a resident management corporation and otherwise meet the requirements of this section.

(b) PROGRAM REQUIREMENTS.—

(1) RESIDENT COUNCIL.—As a condition of entering into a resident opportunity program, the elected resident council of a public housing development shall approve the establishment of a resident management corporation that complies with the requirements of section 1234(b)(2). When such approval is made by the elected resident council of a building or row house area, the resident opportunity program shall not interfere with the rights of other families residing in the development or harm the efficient operation of the development. The resident management corporation and the resident council may be the same organization, if the organization complies with the requirements applicable to both the corporation and council.

(2) PUBLIC HOUSING MANAGEMENT SPECIALIST.—The resident council of a public housing development, in cooperation with the public housing agency, shall select a qualified public housing management specialist to assist in determining the feasibility of, and to help establish, a resident management corporation and to provide training and other duties agreed to in the daily operations of the development.

(3) MANAGEMENT RESPONSIBILITIES.—A resident management corporation that qualifies under this section, and that supplies insurance and bonding or equivalent protection sufficient to the Secretary and the public housing agency, shall enter into a contract with the agency establishing the respective management rights and responsibilities of the corporation and the agency. The contract shall be treated as a contracting out of services and shall be subject to the requirements under section 1235 for such contracts.

(4) ANNUAL AUDIT.—The books and records of a resident management corporation operating a public housing development shall be audited annually by a certified public accountant. A written report of each such audit shall be forwarded to the public housing agency and the Secretary.

(c) COMPREHENSIVE IMPROVEMENT ASSISTANCE.—Public housing developments managed by resident management corporations may be provided with modernization assistance from grant amounts under this title for purposes of renovating such developments. If such renovation activities (including the planning and architectural design of the rehabilitation) are administered by a resident management corporation, the public housing agency involved may not retain, for any administrative or other reason, any portion of the assistance provided pursuant to this subsection unless otherwise provided by contract.

(d) WAIVER OF FEDERAL REQUIREMENTS.—

(1) WAIVER OF REGULATORY REQUIREMENTS.—Upon the request of any resident management corporation and public housing agency, and after notice and an opportunity to comment is afforded to the affected residents, the Secretary may waive (for both the resident management corporation and the public housing agency) any requirement established by the Secretary (and not specified in any statute) that the Secretary determines to unnecessarily increase the costs or restrict the income of a public housing development.

(2) WAIVER TO PERMIT EMPLOYMENT.—Upon the request of any resident management corporation, the Secretary may, subject to applicable collective bargaining agreements, permit residents of such development to volunteer a portion of their labor.

(3) EXCEPTIONS.—The Secretary may not waive under this subsection any requirement with respect to income eligibility for purposes of section 1222, family rental payments under section 1225, tenant or applicant protections, employee organizing rights, or rights of employees under collective bargaining agreements.

(e) OPERATING ASSISTANCE AND DEVELOPMENT INCOME.—

(1) CALCULATION OF OPERATING SUBSIDY.—The grant amounts received under this title by a public housing agency used for operating fund activities under section 1203(a)(2) that are allocated to a public housing development managed by a resident management corporation shall not be less than per unit monthly amount of such assistance used by the public housing agency in the previous year, as determined on an individual development basis.

(2) CONTRACT REQUIREMENTS.—Any contract for management of a public housing development entered into by a public housing agency and a resident management corporation shall specify the amount of income expected to be derived from the development itself (from sources such as rents and charges) and the amount of income funds to be provided to the development from the other sources of income of the agency (such as assistance for operating activities under section 1203(a)(2), interest income, administrative fees, and rents).

(f) RESIDENT MANAGEMENT TECHNICAL ASSISTANCE AND TRAINING.—

(1) FINANCIAL ASSISTANCE.—To the extent budget authority is available under this title, the Secretary shall provide financial assistance to resident management corporations or resident councils that obtain, by contract or otherwise, technical assistance for the development of resident management entities, including the formation of such entities, the development of the management capability of newly formed or existing entities, the identification of the social support needs of residents of public housing developments, and the securing of such support. In addition, the Secretary may provide financial assistance to resident management corporations or resident councils for activities sponsored by resident organizations for economic uplift, such as job training, economic development, security, and other self-sufficiency activities beyond those related to the management of public housing. The Secretary may require resident councils or resident management corporations to utilize public housing agencies or other qualified organizations as contract administrators with respect to financial assistance provided under this paragraph.

(2) LIMITATION ON ASSISTANCE.—The financial assistance provided under this subsection with respect to any public housing development may not exceed $100,000.

(3) PROHIBITION.—A resident management corporation or resident council may not, before the award to the corporation or council of a grant amount under this subsection, enter into any contract or other agreement with any entity to provide such entity with amounts from the grant for providing technical assistance or carrying out other activities eligible for assistance with amounts under this subsection. Any such agreement entered into in violation of this paragraph shall be void and unenforceable.

(4) FUNDING.—Of any amounts made available under section 1282(1) for use under the capital fund, the Secretary may use to carry out this subsection $15,000,000 for fiscal year 1998.

(5) LIMITATION REGARDING ASSISTANCE UNDER HOPE GRANT PROGRAM.—The Secretary may not provide financial assistance under this subsection to any resident management corporation or resident council with respect to which assistance for the development or formation of such entity is provided under title III of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act).

(6) TECHNICAL ASSISTANCE AND CLEARINGHOUSE.—The Secretary may use up to 10 percent of the amount made available pursuant to paragraph (4)—

(A) to provide technical assistance, directly or by grant or contract, and

(B) to receive, collect, process, assemble, and disseminate information,

in connection with activities under this subsection.

(g) ASSESSMENT AND REPORT BY SECRETARY.—Not later than 3 years after the date of the enactment of this Act, the Secretary shall—

(1) conduct an evaluation and assessment of resident management, and particularly of the effect of resident management on living conditions in public housing; and

(2) submit to the Congress a report setting forth the findings of the Secretary as a result of the evaluation and assessment and including any recommendations the Secretary determines to be appropriate.

(h) APPLICABILITY.—Any management contract between a public housing agency and a resident management corporation that is entered into after the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 shall be subject to this section and any regulations issued to carry out this section.

Subtitle D—Homeownership

SEC. 1251. RESIDENT HOMEOWNERSHIP PROGRAMS.

(a) IN GENERAL.—A public housing agency may carry out a homeownership program in accordance with this section and the local housing management plan of the agency to make public housing dwelling units, public housing developments, and other housing projects available for purchase by low-income families. An agency may transfer a unit only pursuant to a homeownership program approved by the Secretary. Notwithstanding section 1107, the Secretary may approve a local housing management plan without approving the portion of the plan regarding a homeownership program pursuant to this section. In the case of the portion of a plan regarding the homeownership program that is submitted separately pursuant to the preceding sentence, the Secretary shall approve or disapprove such portion not later than 60 days after the submission of such portion.

(b) PARTICIPATING UNITS.—A program under this section may cover any existing public housing dwelling units or projects, and may include other dwelling units and housing owned, operated, or assisted, or otherwise acquired for use under such program, by the public housing agency.

(c) ELIGIBLE PURCHASERS.—

(1) LOW-INCOME REQUIREMENT.—Only low-income families assisted by a public housing agency, other low-income families, and entities formed to facilitate such sales by purchasing units for resale to low-income families shall be eligible to purchase housing under a homeownership program under this section.

(2) OTHER REQUIREMENTS.—A public housing agency may establish other requirements or limitations for families to purchase housing under a homeownership program under this section, including requirements or limitations regarding employment or participation in employment counseling or training activities, criminal activity, participation in homeownership counseling programs, evidence of regular income, and other requirements. In the case of purchase by an entity

for resale to low-income families, the entity shall sell the units to low-income families within 5 years from the date of its acquisition of the units. The entity shall use any net proceeds from the resale and from managing the units, as determined in accordance with guidelines of the Secretary, for housing purposes, such as funding resident organizations and reserves for capital replacements.

(d) FINANCING AND ASSISTANCE.—A homeownership program under this section may provide financing for acquisition of housing by families purchasing under the program or by the public housing agency for sale under this program in any manner considered appropriate by the agency (including sale to a resident management corporation).

(e) DOWNPAYMENT REQUIREMENT.—

(1) IN GENERAL.—Each family purchasing housing under a homeownership program under this section shall be required to provide from its own resources a downpayment in connection with any loan for acquisition of the housing, in an amount determined by the public housing agency. Except as provided in paragraph (2), the agency shall permit the family to use grant amounts, gifts from relatives, contributions from private sources, and similar amounts as downpayment amounts in such purchase,

(2) DIRECT FAMILY CONTRIBUTION.—In purchasing housing pursuant to this section, each family shall contribute an amount of the downpayment, from resources of the family other than grants, gifts, contributions, or other similar amounts referred to in paragraph (1), that is not less than 1 percent of the purchase price.

(f) OWNERSHIP INTERESTS.—A homeownership program under this section may provide for sale to the purchasing family of any ownership interest that the public housing agency considers appropriate under the program, including ownership in fee simple, a condominium interest, an interest in a limited dividend cooperative, a shared appreciation interest with a public housing agency providing financing.

(g) RESALE.—

(1) AUTHORITY AND LIMITATION.—A homeownership program under this section shall permit the resale of a dwelling unit purchased under the program by an eligible family, but shall provide such limitations on resale as the agency considers appropriate (whether the family purchases directly from the agency or from another entity) for the agency to recapture—

(A) from any economic gain derived from any such resale occurring during the 5-year period beginning upon purchase of the dwelling unit by the eligible family, a portion of the amount of any financial assistance provided under the program by the agency to the eligible family; and

(B) after the expiration of such 5-year period, only such amounts as are equivalent to the assistance provided under this section by the agency to the purchaser.

(2) CONSIDERATIONS.—The limitations referred to in paragraph (1) may provide for consideration of the aggregate amount of assistance provided under the program to the family, the contribution to equity provided by the purchasing eligible family, the period of time elapsed between purchase under the homeownership program and resale, the reason for resale, any improvements to the property made by the eligible family, any appreciation in the value of the property, and any other factors that the agency considers appropriate.

(h) SALE OF CERTAIN SCATTERED-SITE HOUSING.—A public housing agency that the Secretary has determined to be a high-performing agency may use the proceeds from the disposition of scattered-site public housing under a homeownership program under this section to purchase replacement scattered-site dwelling units, to the extent such use is provided for in the local housing management plan for the agency approved under section 1107. Any such replacement dwelling units shall be considered public housing for purposes of this division.

(i) INAPPLICABILITY OF DISPOSITION REQUIREMENTS.—The provisions of section 1261 shall not apply to disposition of public housing dwelling units under a homeownership program under this section, except that any dwelling units sold under such a program shall be treated as public housing dwelling units for purposes of subsections (e) and (f) of section 1261.

Subtitle E—Disposition, Demolition, and Revitalization of Developments

SEC. 1261. REQUIREMENTS FOR DEMOLITION AND DISPOSITION OF DEVELOPMENTS.

(a) AUTHORITY AND FLEXIBILITY.—A public housing agency may demolish, dispose of, or demolish and dispose of nonviable or nonmarketable public housing developments of the agency in accordance with this section.

(b) LOCAL HOUSING MANAGEMENT PLAN REQUIREMENT.—A public housing agency may take any action to demolish or dispose of a public housing development (or a portion of a development) only if such demolition or disposition complies with the provisions of this section and is in accordance with the local housing management plan for the agency. Notwithstanding section 1107, the Secretary may approve a local housing management plan without approving the portion of the plan covering demolition or disposition pursuant to this section.

(c) PURPOSE OF DEMOLITION OR DISPOSITION.—A public housing agency may demolish or dispose of a public housing development (or portion of a development) only if the agency provides sufficient evidence to the Secretary that—

(1) the development (or portion thereof) is severely distressed or obsolete;

(2) the development (or portion thereof) is in a location making it unsuitable for housing purposes;

(3) the development (or portion thereof) has design or construction deficiencies that make cost-effective rehabilitation infeasible;

(4) assuming that reasonable rehabilitation and management intervention for the development has been completed and paid for, the anticipated revenue that would be derived from charging market-based rents for units in the development (or portion thereof) would not cover the anticipated operating costs and replacement reserves of the development (or portion) at full occupancy and the development (or portion) would constitute a substantial burden on the resources of the public housing agency;

(5) retention of the development (or portion thereof) is not in the best interests of the residents of the public housing agency because—

(A) developmental changes in the area surrounding the development adversely affect the health or safety of the residents or the feasible operation of the development by the public housing agency;

(B) demolition or disposition will allow the acquisition, development, or rehabilitation of other properties which will be more efficiently or effectively operated as low-income housing; or

(C) other factors exist that the agency determines are consistent with the best interests of the residents and the agency and not inconsistent with other provisions of this division;

(6) in the case only of demolition or disposition of a portion of a development, the demolition or disposition will help to ensure the remaining useful life of the remainder of the development; or

(7) in the case only of property other than dwelling units—

(A) the property is excess to the needs of a development; or

(B) the demolition or disposition is incidental to, or does not interfere with, continued operation of a development.

The evidence required under this subsection shall include, as a condition of demolishing or disposing of a public housing development (or portion of a development) estimated to have a value of $100,000 or more, a statement of the market value of the development (or portion), which has been determined by a party not having any interest in the housing or the public housing agency and pursuant to not less than 2 professional, independent appraisals of the development (or portion).

(d) CONSULTATION.—A public housing agency may demolish or dispose of a public housing development (or portion of a development) only if the agency notifies and confers regarding the demolition or disposition with—

(1) the residents of the development (or portion); and

(2) appropriate local government officials.

(e) COUNSELING.—A public housing agency may demolish or dispose of a public housing development (or a portion of a development) only if the agency provides any necessary counseling for families displaced by such action to facilitate relocation.

(f) USE OF PROCEEDS.—Any net proceeds from the disposition of a public housing development (or portion of a development) shall be used for—

(1) housing assistance for low-income families that is consistent with the low-income housing needs of the community, through acquisition, development, or rehabilitation of, or homeownership programs for, other low-income housing or the provision of choice-based assistance under title XIII for such families;

(2) supportive services relating to job training or child care for residents of a development or developments; or

(3) leveraging amounts for securing commercial enterprises, on-site in public housing developments of the public housing agency, appropriate to serve the needs of the residents.

(g) RELOCATION.—A public housing agency that demolishes or disposes of a public housing development (or portion of a development thereof) shall ensure that—

(1) each family that is a resident of the development (or portion) that is demolished or disposed of is relocated to other safe, clean, healthy, and affordable housing, which is, to the maximum extent practicable, housing of the family's choice, including choice-based assistance under title XIII (provided that with respect to choice-based assistance, the preceding requirement shall be fulfilled only upon the relocation of the such family into such housing);

(2) the public housing agency does not take any action to dispose of any unit until any resident to be displaced is relocated in accordance with paragraph (1); and

(3) each resident family to be displaced is paid relocation expenses, and the rent to be paid initially by the resident following relocation does not exceed the amount permitted under section 1225(a).

(h) RIGHT OF FIRST REFUSAL FOR RESIDENT ORGANIZATIONS AND RESIDENT MANAGEMENT CORPORATIONS.—

(1) IN GENERAL.—A public housing agency may not dispose of a public housing development (or portion of a development) unless the agency has, before such disposition, offered to sell the property, as provided in this subsection, to each resident organization and

resident management corporation operating at the development for continued use as low-income housing, and no such organization or corporation purchases the property pursuant to such offer. A resident organization may act, for purposes of this subsection, through an entity formed to facilitate homeownership under subtitle D.

(2) TIMING.—Disposition of a development (or portion thereof) under this section may not take place—

(A) before the expiration of the period during which any such organization or corporation may notify the agency of interest in purchasing the property, which shall be the 30-day period beginning on the date that the agency first provides notice of the proposed disposition of the property to such resident organizations and resident management corporations;

(B) if an organization or corporation submits notice of interest in accordance with subparagraph (A), before the expiration of the period during which such organization or corporation may obtain a commitment for financing to purchase the property, which shall be the 60-day period beginning upon the submission to the agency of the notice of interest; or

(C) if, during the period under subparagraph (B), an organization or corporation obtains such financing commitment and makes a bona fide offer to the agency to purchase the property for a price equal to or exceeding the applicable offer price under paragraph (3).

The agency shall sell the property pursuant to any purchase offer described in subparagraph (C).

(3) TERMS OF OFFER.—An offer by a public housing agency to sell a property in accordance with this subsection shall involve a purchase price that reflects the market value of the property, the reason for the sale, the impact of the sale on the surrounding community, and any other factors that the agency considers appropriate.

(i) INFORMATION FOR LOCAL HOUSING MANAGEMENT PLAN.—A public housing agency may demolish or dispose of a public housing development (or portion thereof) only if it includes in the applicable local housing management plan information sufficient to describe—

(1) the housing to be demolished or disposed of;

(2) the purpose of the demolition or disposition under subsection (c) and why the demolition or disposition complies with the requirements under subsection (c), and includes evidence of the market value of the development (or portion) required under subsection (c);

(3) how the consultations required under subsection (d) will be made;

(4) how the net proceeds of the disposition will be used in accordance with subsection (f);

(5) how the agency will relocate residents, if necessary, as required under subsection (g); and

(6) that the agency has offered the property for acquisition by resident organizations and resident management corporations in accordance with subsection (h).

(j) SITE AND NEIGHBORHOOD STANDARDS EXEMPTION.—Notwithstanding any other provision of law, a public housing agency may provide for development of public housing dwelling units on the same site or in the same neighborhood as any dwelling units demolished, pursuant to a plan under this section, but only if such development provides for significantly fewer dwelling units.

(k) TREATMENT OF REPLACEMENT UNITS.—

(1) PROVISION OF OTHER HOUSING ASSISTANCE.—In connection with any demolition or disposition of public housing under this section, a public housing agency may provide for other housing assistance for low-income families that is consistent with the low-income housing needs of the community, including—

(A) the provision of choice-based assistance under title XIII; and

(B) the development, acquisition, or lease by the agency of dwelling units, which dwelling units shall—

(i) be eligible to receive assistance with grant amounts provided under this title; and

(ii) be made available for occupancy, operated, and managed in the manner required for public housing, and subject to the other requirements applicable to public housing dwelling units.

(2) TREATMENT OF INDIVIDUALS.—For purposes of this subsection, an individual between the ages of 18 and 21, inclusive, shall, at the discretion of the individual, be considered a family.

(l) USE OF NEW DWELLING UNITS.—A public housing agency demolishing or disposing of a public housing development (or portion thereof) under this section shall seek, where practical, to ensure that, if housing units are provided on any property that was previously used for the public housing demolished or disposed of, not less than 25 percent of such dwelling units shall be dwelling units reserved for occupancy during the remaining useful life of the housing by low-income families.

(m) PERMISSIBLE RELOCATION WITHOUT PLAN.—If a public housing agency determines that because of an emergency situation public housing dwelling units are severely uninhabitable, the public housing agency may relocate residents of such dwelling units before the submission of a local housing management plan providing for demolition or disposition of such units.

(n) CONSOLIDATION OF OCCUPANCY WITHIN OR AMONG BUILDINGS.—Nothing in this section may be construed to prevent a public housing agency from consolidating occupancy within or among buildings of a public housing development, or among developments, or with other housing for the purpose of improving living conditions of, or providing more efficient services to, residents.

(o) DE MINIMIS EXCEPTION TO DEMOLITION REQUIREMENTS.—Notwithstanding any other provision of this section, in any 5-year period a public housing agency may demolish not more than the lesser of 5 dwelling units or 5 percent of the total dwelling units owned and operated by the public housing agency, without providing for such demolition in a local housing management plan, but only if the space occupied by the demolished unit is used for meeting the service or other needs of public housing residents or the demolished unit was beyond repair.

SEC. 1262. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND CHOICE-BASED ASSISTANCE GRANTS FOR DEVELOPMENTS.

(a) PURPOSES.—The purpose of this section is to provide assistance to public housing agencies for the purposes of—

(1) reducing the density and improving the living environment for public housing residents of severely distressed public housing developments through the demolition of obsolete public housing developments (or portions thereof);

(2) revitalizing sites (including remaining public housing dwelling units) on which such public housing developments are located and contributing to the improvement of the surrounding neighborhood;

(3) providing housing that will avoid or decrease the concentration of very low-income families; and

(4) providing choice-based assistance in accordance with title XIII for the purpose of providing replacement housing and assisting residents to be displaced by the demolition.

(b) GRANT AUTHORITY.—The Secretary may make grants available to public housing agencies as provided in this section.

(c) CONTRIBUTION REQUIREMENT.—The Secretary may not make any grant under this section to any applicant unless the applicant certifies to the Secretary that the applicant will supplement the amount of assistance provided under this section with an amount of funds from sources other than this section equal to not less than 5 percent of the amount provided under this section, including amounts from other Federal sources, any State or local government sources, any private contributions, and the value of any in-kind services or administrative costs provided.

(d) ELIGIBLE ACTIVITIES.—Grants under this section may be used for activities to carry out revitalization programs for severely distressed public housing, including—

(1) architectural and engineering work, including the redesign, reconstruction, or redevelopment of a severely distressed public housing development, including the site on which the development is located;

(2) the demolition, sale, or lease of the site, in whole or in part;

(3) covering the administrative costs of the applicant, which may not exceed such portion of the assistance provided under this section as the Secretary may prescribe;

(4) payment of reasonable legal fees;

(5) providing reasonable moving expenses for residents displaced as a result of the revitalization of the development;

(6) economic development activities that promote the economic self-sufficiency of residents under the revitalization program;

(7) necessary management improvements;

(8) leveraging other resources, including additional housing resources, retail supportive services, jobs, and other economic development uses on or near the development that will benefit future residents of the site;

(9) replacement housing and housing assistance under title XIII;

(10) transitional security activities; and

(11) necessary supportive services, except that not more than 10 percent of the amount of any grant may be used for activities under this paragraph.

(e) APPLICATION AND SELECTION.—

(1) APPLICATION.—An application for a grant under this section shall contain such information and shall be submitted at such time and in accordance with such procedures, as the Secretary shall prescribe.

(2) SELECTION CRITERIA.—The Secretary shall establish selection criteria for the award of grants under this section, which shall include—

(A) the relationship of the grant to the local housing management plan for the public housing agency and how the grant will result in a revitalized site that will enhance the neighborhood in which the development is located;

(B) the capability and record of the applicant public housing agency, or any alternative management agency for the agency, for managing large-scale redevelopment or modernization projects, meeting construction timetables, and obligating amounts in a timely manner;

(C) the extent to which the public housing agency could undertake such activities without a grant under this section;

(D) the extent of involvement of residents, State and local governments, private service providers, financing entities, and developers, in the development of a revitalization program for the development; and

(E) the amount of funds and other resources to be leveraged by the grant.

The Secretary shall give preference in selection to any public housing agency that has been awarded a planning grant under section 24(c) of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act).

(f) COST LIMITS.—Subject to the provisions of this section, the Secretary—

(1) shall establish cost limits on eligible activities under this section sufficient to provide for effective revitalization programs; and

(2) may establish other cost limits on eligible activities under this section.

(g) DEMOLITION AND REPLACEMENT.—Any severely distressed public housing demolished or disposed of pursuant to a revitalization plan and any public housing produced in lieu of such severely distressed housing, shall be subject to the provisions of section 1261.

(h) ADMINISTRATION BY OTHER ENTITIES.—The Secretary may require a grantee under this section to make arrangements satisfactory to the Secretary for use of an entity other than the public housing agency to carry out activities assisted under the revitalization plan, if the Secretary determines that such action will help to effectuate the purposes of this section.

(i) WITHDRAWAL OF FUNDING.—If a grantee under this section does not proceed expeditiously, in the determination of the Secretary, the Secretary shall withdraw any grant amounts under this section that have not been obligated by the public housing agency. The Secretary shall redistribute any withdrawn amounts to one or more public housing agencies eligible for assistance under this section or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the revitalization plan of the original grantee.

(j) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPLICANT.—The term ''applicant'' means—

(A) any public housing agency that is not designated as troubled pursuant to section 1533(a);

(B) any public housing agency or private housing management agent selected, or receiver appointed pursuant, to section 1545; and

(C) any public housing agency that is designated as troubled pursuant to section 1533(a) that—

(i) is so designated principally for reasons that will not affect the capacity of the agency to carry out a revitalization program;

(ii) is making substantial progress toward eliminating the deficiencies of the agency; or

(iii) is otherwise determined by the Secretary to be capable of carrying out a revitalization program.

(2) PRIVATE NONPROFIT CORPORATION.—The term ''private nonprofit organization'' means any private nonprofit organization (including a State or locally chartered nonprofit organization) that—

(A) is incorporated under State or local law;

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

(C) complies with standards of financial accountability acceptable to the Secretary; and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to very low-income families.

(3) SEVERELY DISTRESSED PUBLIC HOUSING.—The term ''severely distressed public housing'' means a public housing development (or building in a development) that—

(A) requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems and other deficiencies in the physical plant of the development;

(B) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;

(C)(i) is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; and

(ii) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;

(D) cannot be revitalized through assistance under other programs, such as the public housing block grant program under this title, or the programs under sections 9 and 14 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act), because of cost constraints and inadequacy of available amounts; and

(E) in the case of individual buildings, is, in the Secretary's determination, sufficiently separable from the remainder of the development of which the building is part to make use of the building feasible for purposes of this section.

(4) SUPPORTIVE SERVICES.—The term ''supportive services'' includes all activities that will promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing development involved, including literacy training, job training, day care, and economic development activities.

(k) ANNUAL REPORT.—The Secretary shall submit to the Congress an annual report setting forth—

(1) the number, type, and cost of public housing units revitalized pursuant to this section;

(2) the status of developments identified as severely distressed public housing;

(3) the amount and type of financial assistance provided under and in conjunction with this section; and

(4) the recommendations of the Secretary for statutory and regulatory improvements to the program established by this section.

(l) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section $500,000,000 for each of fiscal years 1998, 1999, and 2000.

(2) TECHNICAL ASSISTANCE.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary may use not more than 0.50 percent for technical assistance. Such assistance may be provided directly or indirectly by grants, contracts, or cooperative agreements, and shall include training, and the cost of necessary travel for participants in such training, by or to officials of the Department of Housing and Urban Development, of public housing agencies, and of residents.

(m) SUNSET.—No assistance may be provided under this section after September 30, 2000.

(n) TREATMENT OF PREVIOUS SELECTIONS.—A public housing agency that has been selected to receive amounts under the notice of funding availability for fiscal year 1996 amounts for the HOPE VI program (provided under the heading ''PUBLIC HOUSING DEMOLITION, SITE REVITALIZATION, AND REPLACEMENT HOUSING GRANTS'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note) (enacted as section 101(e) of Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–269)) may apply to the Secretary of Housing and Urban Development for a waiver of the total development cost rehabilitation requirement otherwise applicable under such program, and the Secretary may waive such requirement, but only (1) to the extent that a designated site for use of such amounts does not have dwelling units that are considered to be obsolete under Department of Housing and Urban Development regulations in effect upon the date of the enactment of this Act, and (2) if the Secretary determines that the public housing agency will continue to comply with the purposes of the program notwithstanding such waiver.

SEC. 1263. VOLUNTARY VOUCHER SYSTEM FOR PUBLIC HOUSING.

(a) IN GENERAL.—A public housing agency may convert any public housing development (or portion thereof) owned and operated by the agency to a system of choice-based rental housing assistance under title XIII, in accordance with this section.

(b) ASSESSMENT AND PLAN REQUIREMENT.—In converting under this section to a choice-based rental housing assistance system, the public housing agency shall develop a conversion assessment and plan under this subsection, in consultation with the appropriate public officials and with significant participation by the residents of the development (or portion thereof), which assessment and plan shall—

(1) be consistent with and part of the local housing management plan for the agency;

(2) describe the conversion and future use or disposition of the public housing development, including an impact analysis on the affected community;

(3) include a cost analysis that demonstrates whether or not the cost (both on a net present value basis and in terms of new budget authority requirements) of providing choice-based rental housing assistance under title XIII for the same families in substantially similar dwellings over the same period of time is less expensive than continuing public housing assistance in the public housing development proposed for conversion for the remaining useful life of the development;

(4) identify the actions, if any, that the public housing agency will take with regard to converting any public housing development or developments (or portions thereof) of the agency to a system of choice-based rental housing assistance under title XIII;

(5) require the public housing agency to—

(A) notify the families residing in the public housing development subject to the conversion, in accordance with any guidelines issued by the Secretary governing such notifications, that—

(i) the development will be removed from the inventory of the public housing agency; and

(ii) the families displaced by such action will receive choice-based housing assistance;

(B) provide any necessary counseling for families displaced by such action to facilitate relocation; and

(C) provide any reasonable relocation expenses for families displaced by such action; and

(6) ensure that each family that is a resident of the development is relocated to other safe, clean, and healthy affordable housing, which is, to the maximum extent practicable, housing of the family's choice, including choice-based assistance under title XIII (provided that with respect to choice-based assistance, the preceding requirement shall be fulfilled only upon the relocation of such family into such housing).

(c) STREAMLINED ASSESSMENT AND PLAN.—At the discretion of the Secretary or at the

request of a public housing agency, the Secretary may waive any or all of the requirements of subsection (b) or otherwise require a streamlined assessment with respect to any public housing development or class of public housing developments.

(d) IMPLEMENTATION OF CONVERSION PLAN.—

(1) IN GENERAL.—A public housing agency may implement a conversion plan only if the conversion assessment under this section demonstrates that the conversion—

(A) will not be more expensive than continuing to operate the public housing development (or portion thereof) as public housing; and

(B) will principally benefit the residents of the public housing development (or portion thereof) to be converted, the public housing agency, and the community.

(2) DISAPPROVAL.—The Secretary shall disapprove a conversion plan only if the plan is plainly inconsistent with the conversion assessment under subsection (b) or there is reliable information and data available to the Secretary that contradicts that conversion assessment.

(e) OTHER REQUIREMENTS.—To the extent approved by the Secretary, the funds used by the public housing agency to provide choice-based rental housing assistance under title XIII shall be added to the housing assistance payment contract administered by the public housing agency or any entity administering the contract on behalf of the public housing agency.

(f) SAVINGS PROVISION.—This section does not affect any contract or other agreement entered into under section 22 of the United States Housing Act of 1937 (as such section existed before the effective date of the repeal under section 1601(b) of this Act).

Subtitle F—Mixed-Finance Public Housing

SEC. 1271. AUTHORITY.

Notwithstanding sections 1203 and 1262, the Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to provide for the use of grant amounts allocated and provided from the capital fund or from a grant under section 1262, to produce mixed-finance housing developments, or replace or revitalize existing public housing dwelling units with mixed-finance housing developments, but only if the agency submits to the Secretary a plan for such housing that is approved pursuant to section 1273 by the Secretary.

SEC. 1272. MIXED-FINANCE HOUSING DEVELOPMENTS.

(a) IN GENERAL.—For purposes of this subtitle, the term ''mixed-finance housing'' means low-income housing or mixed-income housing (as described in section 1221(c)(2)) for which the financing for production or revitalization is provided, in part, from entities other than the public housing agency.

(b) PRODUCTION.—A mixed-finance housing development shall be produced or revitalized, and owned—

(1) by a public housing agency or by an entity affiliated with a public housing agency;

(2) 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, is a managing member, or otherwise participates in the activities of the entity;

(3) by any entity that grants 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 public housing project in accordance with section 42(l)(7) of the Internal Revenue Code of 1986; or

(4) in accordance with such other terms and conditions as the Secretary may prescribe by regulation.

This subsection may not be construed to require production or revitalization, and ownership, by the same entity.

SEC. 1273. MIXED-FINANCE HOUSING PLAN.

The Secretary may approve a plan for production or revitalization of mixed-finance housing under this subtitle only if the Secretary determines that—

(1) the public housing agency has the ability, or has provided for an entity under section 1272(b) that has the ability, to use the amounts provided for use under the plan for such housing, effectively, either directly or through contract management;

(2) the plan provides permanent financing commitments from a sufficient number of sources other than the public housing agency, which may include banks and other conventional lenders, States, units of general local government, State housing finance agencies, secondary market entities, and other financial institutions;

(3) the plan provides for use of amounts provided under section 1271 by the public housing agency for financing the mixed-income housing in the form of grants, loans, advances, or other debt or equity investments, including collateral or credit enhancement of bonds issued by the agency or any State or local governmental agency for production or revitalization of the development; and

(4) the plan complies with any other criteria that the Secretary may establish.

SEC. 1274. RENT LEVELS FOR HOUSING FINANCED WITH LOW-INCOME HOUSING TAX CREDIT.

With respect to any dwelling unit in a mixed-finance housing development that is a low-income dwelling unit for which amounts from a block grant under this title are used and 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 residents of the unit shall be determined in accordance with this title, but shall not in any case exceed the amounts allowable under such section 42.

SEC. 1275. CARRY-OVER OF ASSISTANCE FOR REPLACED HOUSING.

In the case of a mixed-finance housing development that is replacement housing for public housing demolished or disposed of, or is the result of the revitalization of existing public housing, the share of assistance received from the capital fund and the operating fund by the public housing agency that owned or operated the housing demolished, disposed of, or revitalized shall not be reduced because of such demolition, disposition, or revitalization after the commencement of such demolition, disposition, or revitalization, unless—

(1) upon the expiration of the 18-month period beginning upon the approval of the plan under section 1273 for the mixed-finance housing development, the agency does not have binding commitments for production or revitalization, or a construction contract, for such development;

(2) upon the expiration of the 4-year period beginning upon the approval of the plan, the mixed-finance housing development is not substantially ready for occupancy and is placed under the block grant contract for the agency under section 1201; or

(3) the number of dwelling units in the mixed-finance housing development that are made available for occupancy only by low-income families is substantially less than the number of such dwelling units in the public housing demolished, disposed of, or revitalized.

The Secretary may extend the period under paragraph (1) or (2) for a public housing agency if the Secretary determines that circumstances beyond the control of the agency caused the agency to fail to meet the deadline under such paragraph.

Subtitle G—General Provisions

SEC. 1281. PAYMENT OF NON-FEDERAL SHARE.

Rental or use-value of buildings or facilities paid for, in whole or in part, from production, modernization, or operation costs financed under this title may be used as the non-Federal share required in connection with activities undertaken under Federal grant-in-aid programs which provide social, educational, employment, and other services to the residents in a project assisted under this title.

SEC. 1282. AUTHORIZATION OF APPROPRIATIONS FOR BLOCK GRANTS.

There are authorized to be appropriated for grants under this title, the following amounts:

(1) CAPITAL FUND.—For the allocations from the capital fund for grants, $2,500,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002.

(2) OPERATING FUND.—For the allocations from the operating fund for grants, $2,900,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002.

SEC. 1283. FUNDING FOR OPERATION SAFE HOME.

Of any amounts made available for fiscal years 1998 and 1999 for carrying out the Community Partnerships Against Crime Act of 1997 (as so designated pursuant to section 1624(a) of this Act), not more than $20,000,000 shall be available in each such fiscal year, for use under the Operation Safe Home program administered by the Office of the Inspector General of the Department of Housing and Urban Development, for law enforcement efforts to combat violent crime on or near the premises of public and federally assisted housing.

SEC. 1284. FUNDING FOR RELOCATION OF VICTIMS OF DOMESTIC VIOLENCE.

Of any amounts made available for fiscal years 1998, 1999, 2000, 2001, and 2002 for choice-based housing assistance under title XIII of this Act, not more than $700,000 shall be available in each such fiscal year for relocating residents of public housing (including providing assistance for costs of relocation and housing assistance under title XIII of this Act) who are residing in public housing, who have been subject to domestic violence, and for whom provision of assistance is likely to reduce or eliminate the threat of subsequent violence to the members of the family. The Secretary shall establish procedures for eligibility and administration of assistance under this section.

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

Subtitle A—Allocation

SEC. 1301. AUTHORITY TO PROVIDE HOUSING ASSISTANCE AMOUNTS.

To the extent that amounts to carry out this title are made available, the Secretary may enter into contracts with public housing agencies for each fiscal year to provide housing assistance under this title.

SEC. 1302. CONTRACTS WITH PHA'S.

(a) CONDITION OF ASSISTANCE.—The Secretary may provide amounts under this title to a public housing agency for a fiscal year only if the Secretary has entered into a contract under this section with the public housing agency, under which the Secretary shall provide such agency with amounts (in the amount of the allocation for the agency determined pursuant to section 1304) for housing assistance under this title for low-income families.

(b) USE FOR HOUSING ASSISTANCE.—A contract under this section shall require a public housing agency 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 title shall provide amounts for housing assistance for 1 fiscal year covered by the contract.

(d) ENFORCEMENT OF HOUSING QUALITY REQUIREMENTS.—Each contract under this section shall require the public housing agency administering assistance provided under the contract—

(1) to ensure compliance, 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 1351(c)(4); and

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

SEC. 1303. ELIGIBILITY OF PHA'S FOR ASSISTANCE AMOUNTS.

The Secretary may provide amounts available for housing assistance under this title pursuant to the formula established under section 1304(a) to a public housing agency only if—

(1) the agency 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 1106 and the Secretary has not notified the agency that the plan fails to comply with such requirements;

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

(4) the agency has not been disqualified for assistance pursuant to title XV.

SEC. 1304. 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 subsections (b)(3) and (c), the Secretary shall allocate such amounts, only among public housing agencies meeting the requirements under this title to receive such assistance, on the basis of a formula that is established in accordance with paragraph (2) and based upon appropriate criteria to reflect the needs of different States, areas, and communities, using the most recent data available from the Bureau of the Census of the Department of Commerce and the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act (or any consolidated plan incorporating such strategy) for the applicable jurisdiction. The Secretary may establish a minimum allocation amount, in which case only the public housing agencies that, pursuant to the formula, are provided an amount equal to or greater than the minimum allocation amount, shall receive an allocation.

(2) REGULATIONS.—The formula under this subsection shall be established by regulation issued by the Secretary. Notwithstanding sections 563(a) and 565(a) of title 5, United States Code, any proposed regulation containing such formula shall be issued pursuant to a negotiated rulemaking procedure under subchapter III of chapter 5 of such title and the Secretary shall establish a negotiated rulemaking committee for development of any such proposed regulations.

(b) ALLOCATION CONSIDERATIONS.—

(1) LIMITATION ON REALLOCATION FOR ANOTHER STATE.—Any amounts allocated for a State or areas or communities within a State that are not likely to be used within the fiscal year for which the amounts are provided shall not be reallocated for use in another State, unless 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.

(2) EFFECT OF RECEIPT OF TENANT-BASED ASSISTANCE FOR DISABLED FAMILIES.—The Secretary may not consider the receipt by a public housing agency of assistance under section 811(b)(1) of the Cranston-Gonzalez National Affordable Housing Act, or the amount received, in approving amounts under this title for the agency or in determining the amount of such assistance to be provided to the agency.

(3) EXEMPTION FROM FORMULA ALLOCATION.—The formula allocation requirements of subsection (a) shall not apply to any assistance under this title that is approved in appropriation Acts for uses that the Secretary determines are incapable of geographic allocation, including amendments of existing housing assistance payments contracts, renewal of such contracts, assistance to families that would otherwise lose assistance due to the decision of the project owner to prepay the project mortgage or not to renew the housing assistance payments contract, assistance to prevent displacement from public or assisted housing or to provide replacement housing in connection with the demolition or disposition of public housing, assistance for relocation from public housing, assistance in connection with protection of crime witnesses, assistance for conversion from leased housing contracts under section 23 of the United States Housing Act of 1937 (as in effect before the enactment of the Housing and Community Development Act of 1974), and assistance in support of the property disposition and portfolio management functions of the Secretary.

(c) RECAPTURE OF AMOUNTS.—

(1) AUTHORITY.—In each fiscal year, from any budget authority made available for assistance under this title or section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act) that is obligated to a public housing agency but remains unobligated by the agency upon the expiration of the 8-month period beginning upon the initial availability of such amounts for obligation by the agency, the Secretary may deobligate an amount, as determined by the Secretary, not exceeding 50 percent of such unobligated amount.

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

SEC. 1305. 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 1998.—

(A) CALCULATION.—For fiscal year 1998, 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 public housing agency that, on an annual basis, is administering a program for not more than 600 dwelling units, 7.65 percent of the base amount; and

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

(I) for the first 600 units, 7.65 percent of the base amount; and

(II) for any additional dwelling units under the program, 7.0 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 immediately before the effective date of the repeal under section 1601(b) of this Act) for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency, and

(ii) the amount that is the lesser of (I) such fair market rental for fiscal year 1994 or (II) 103.5 percent of the amount determined under clause (i),

adjusted 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.

(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 public housing agencies 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.

(4) INCREASE.—The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic 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 public housing agency, but only in the first year that the agency administers a choice-based housing assistance program under this title, and only if, immediately before the effective date of this division, the agency was not administering a tenant-based rental assistance program under the United States Housing Act of 1937 (as in effect immediately before such effective date), 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.—In each fiscal year, if any public housing agency 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 agency but is also within the jurisdiction of another public housing agency, the Secretary shall take such steps as may be necessary to ensure that the public housing agency that provides the services for a family receives all or part of the administrative fee under this section (as appropriate).

SEC. 1306. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated for providing public housing agencies with housing assistance under this title, such sums as may be necessary for each of fiscal years 1998, 1999, 2000, 2001, and 2002 to provide amounts for incremental assistance under this title, for renewal of expiring contracts under section 1302 of this Act and renewal under this title of expiring contracts for tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of

this Act), and for replacement needs for public housing under title XII.

(b) ASSISTANCE FOR DISABLED FAMILIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, for choice-based housing assistance under this title to be used in accordance with paragraph (2), $50,000,000 for fiscal year 1998, and such sums as may be necessary for each subsequent fiscal year.

(2) USE.—The Secretary shall provide amounts made available under paragraph (1) to public housing agencies only for use to provide housing assistance under this title for nonelderly disabled families (including such families relocating pursuant to designation of a public housing development under section 1227 or the establishment of occupancy restrictions in accordance with section 658 of the Housing and Community Development Act of 1992 and other nonelderly disabled families who have applied to the agency for housing assistance under this title).

(3) ALLOCATION OF AMOUNTS.—The Secretary shall allocate and provide amounts made available under paragraph (1) to public housing agencies as the Secretary determines appropriate based on the relative levels of need among the authorities for assistance for families described in paragraph (1).

(c) ASSISTANCE FOR WITNESS RELOCATION.—Of the amounts made available for choice-based housing assistance under this title for each fiscal year, the Secretary, in consultation with the Inspector General, shall make available such sums as may be necessary for such housing assistance for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to requests from law enforcement and prosecutive agencies.

SEC. 1307. CONVERSION OF SECTION 8 ASSISTANCE.

(a) IN GENERAL.—Any amounts made available to a public housing agency under a contract for annual contributions for assistance under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act) that have not been obligated for such assistance by such agency before such effective date shall be used to provide assistance under this title, except to the extent the Secretary determines such use is inconsistent with existing commitments.

(b) EXCEPTION.—Subsection (a) shall not apply to any amounts made available under a contract for housing constructed or substantially rehabilitated pursuant to section 8(b)(2) of the United States Housing Act of 1937, as in effect before October 1, 1983.

SEC. 1308. RECAPTURE AND REUSE OF ANNUAL CONTRACT PROJECT RESERVES UNDER CHOICE-BASED HOUSING ASSISTANCE AND SECTION 8 TENANT-BASED ASSISTANCE PROGRAMS.

To the extent that the Secretary determines that the amount in the reserve account for annual contributions contracts (for housing assistance under this title or tenant-based assistance under section 8 of the United States Housing Act of 1937) that is under contract with a public housing agency for such assistance is in excess of the amounts needed by the agency, the Secretary shall recapture such excess amount. The Secretary may hold recaptured amounts in reserve until needed to enter into, amend, or renew contracts under this title or to amend or renew contracts under section 8 of such Act for tenant-based assistance with any agency.

Subtitle B—Choice-Based Housing Assistance for Eligible Families

SEC. 1321. ELIGIBLE FAMILIES AND PREFERENCES FOR ASSISTANCE.

(a) LOW-INCOME REQUIREMENT.—Housing assistance under this title may be provided only on behalf of a family that—

(1) at the time that such assistance is initially provided on behalf of the family, is determined by the public housing agency to be a low-income family; or

(2) qualifies to receive such assistance under any other provision of Federal law.

(b) INCOME TARGETING.—Of the families initially assisted under this title by a public housing agency in any year, not less than 40 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 ceiling higher 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 family incomes.

(c) REVIEWS OF FAMILY INCOMES.—

(1) IN GENERAL.—Reviews of family incomes for purposes of this title shall be subject to the provisions of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 and shall be conducted upon the initial provision of housing assistance for the family and thereafter not less than annually.

(2) PROCEDURES.—Each public housing agency administering housing assistance under this title shall establish procedures that are appropriate and necessary to ensure that income data provided to the agency and owners by families applying for or receiving housing assistance from the agency is complete and accurate.

(d) PREFERENCES FOR ASSISTANCE.—

(1) AUTHORITY TO ESTABLISH.—Any public housing agency that receives amounts under this title may establish a system for making housing assistance available on behalf of eligible families that provides preference for such assistance to eligible families having certain characteristics.

(2) CONTENT.—Each system of preferences established pursuant to this subsection shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 1106(e) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction.

(3) SENSE OF THE CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, public housing agencies involved in the selection of tenants under the provisions of this title should adopt preferences for individuals who are victims of domestic violence.

(e) PORTABILITY OF HOUSING ASSISTANCE.—

(1) NATIONAL PORTABILITY.—An eligible family that is selected to receive or is receiving assistance under this title may rent any eligible dwelling unit in any area where a program is being administered under this title. Notwithstanding the preceding sentence, a public housing agency may require that any family not living within the jurisdiction of the public housing agency at the time the family applies for assistance from the agency shall, during the 12-month period beginning on the date of initial receipt of housing assistance made available on behalf of the family from such agency, lease and occupy an eligible dwelling unit located within the jurisdiction served by the agency. The agency for the jurisdiction into which the family moves shall have the responsibility for administering assistance for the family.

(2) SOURCE OF FUNDING FOR A FAMILY THAT MOVES.—For a family that has moved into the jurisdiction of a public housing agency and that, at the time of the move, has been selected to receive, or is receiving, assistance provided by another agency, the agency for the jurisdiction into which the family has moved may, in its discretion, cover the cost of assisting the family under its contract with the Secretary or through reimbursement from the other agency under that agency's contract.

(3) AUTHORITY TO DENY ASSISTANCE TO CERTAIN FAMILIES WHO MOVE.—A family may not receive housing assistance as provided under this subsection if the family has moved from a dwelling unit in violation of the lease for the dwelling unit.

(4) FUNDING ALLOCATIONS.—In providing assistance amounts under this title for public housing agencies for any fiscal year, the Secretary may give consideration to any reduction or increase in the number of resident families under the program of an agency in the preceding fiscal year as a result of this subsection.

(f) CONFIDENTIALITY FOR VICTIMS OF DOMESTIC VIOLENCE.—A public housing agency shall be subject to the restrictions regarding release of information relating to the identity and new residence of any family receiving housing assistance who was a victim of domestic violence that are applicable to shelters pursuant to the Family Violence Prevention and Services Act. The agency shall work with the United States Postal Service to establish procedures consistent with the confidentiality provisions in the Violence Against Women Act of 1994.

SEC. 1322. RESIDENT CONTRIBUTION.

(a) AMOUNT.—

(1) MONTHLY RENT CONTRIBUTION.—An assisted family shall contribute on a monthly basis for the rental of an assisted dwelling unit an amount that the public housing agency determines is appropriate with respect to the family and the unit, but which—

(A) shall not be less than the minimum monthly rental contribution determined under subsection (b); and

(B) shall not exceed the greatest of—

(i) 30 percent of the monthly adjusted income of the family;

(ii) 10 percent of the monthly income of the family; and

(iii) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

(2) EXCESS RENTAL AMOUNT.—In any case in which the monthly rent charged for a dwelling unit pursuant to the housing assistance payments contract exceeds the applicable payment standard (established under section 1353) for the dwelling unit, the assisted family residing in the unit shall contribute (in addition to the amount of the monthly rent contribution otherwise determined under paragraph (1) for such family) such entire excess rental amount.

(b) MINIMUM MONTHLY RENTAL CONTRIBUTION.—

(1) IN GENERAL.—The public housing agency shall determine the amount of the minimum monthly rental contribution of an assisted family (which rent shall include any amount allowed for utilities), which—

(A) shall be based upon factors including the adjusted income of the family and any other factors that the agency considers appropriate;

(B) shall be not less than $25, nor more than $50; and

(C) may be increased annually by the agency, except that no such annual increase may exceed 10 percent of the amount of the minimum monthly contribution in effect for the preceding year.

(2) HARDSHIP PROVISIONS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), a public housing agency shall grant an exemption in whole or in part from payment of the minimum monthly rental contribution established under this paragraph to any assisted family unable to pay such amount because of financial hardship, which shall include situations in which (i) the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program, including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; (ii) the family would be evicted as a result of imposition of the minimum rent; (iii) the income of the family has decreased because of changed circumstance, including loss of employment; and (iv) a death in the family has occurred; and other situations as may be determined by the agency.

(B) WAITING PERIOD.—If an assisted family requests a hardship exemption under this paragraph and the public housing agency reasonably determines the hardship to be of a temporary nature, an exemption shall not be granted during the 90-day period beginning upon the making of a request for the exemption. An assisted family may not be evicted during such 90-day period for nonpayment of rent. In such a case, if the assisted family thereafter demonstrates that the financial hardship is of a long-term basis, the agency shall retroactively exempt the family from the applicability of the minimum rent requirement for such 90-day period.

(c) TREATMENT OF CHANGES IN RENTAL CONTRIBUTION.—

(1) NOTIFICATION OF CHANGES.—A public housing agency shall promptly notify the owner of an assisted dwelling unit of any change in the resident contribution by the assisted family residing in the unit that takes effect immediately or at a later date.

(2) COLLECTION OF RETROACTIVE CHANGES.—In the case of any change in the rental contribution of an assisted family that affects rental payments previously made, the public housing agency shall collect any additional amounts required to be paid by the family under such change directly from the family and shall refund any excess rental contribution paid by the family directly to the family.

(d) PHASE-IN OF RENT CONTRIBUTION INCREASES.—

(1) IN GENERAL.—Except as provided in paragraph (2), for any family that is receiving tenant-based rental assistance under section 8 of the United States Housing Act of 1937 upon the initial applicability of the provisions of this title to such family, if the monthly contribution for rental of an assisted dwelling unit to be paid by the family upon such initial applicability is greater than the amount paid by the family under the provisions of the United States Housing Act of 1937 immediately before such applicability, any such resulting increase in rent contribution shall be—

(A) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more of such contribution before initial applicability; and

(B) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent of such contribution before initial applicability.

(2) EXCEPTION.—The minimum rent contribution requirement under subsection (b)(1) shall apply to each family described in paragraph (1) of this subsection, notwithstanding such paragraph.

SEC. 1323. RENTAL INDICATORS.

(a) IN GENERAL.—The Secretary shall establish and issue rental indicators under this section periodically, but not less than annually, for existing rental dwelling units that are eligible dwelling units. The Secretary shall establish and issue the rental indicators by housing market area (as the Secretary shall establish) for various sizes and types of dwelling units.

(b) AMOUNT.—For a market area, the rental indicator established under subsection (a) for a dwelling unit of a particular size and type in the market area shall be a dollar amount that reflects the rental amount for a standard quality rental unit of such size and type in the market area that is an eligible dwelling unit.

(c) EFFECTIVE DATE.—The Secretary shall cause the proposed rental indicators established under subsection (a) for each market area to be published in the Federal Register with reasonable time for public comment, and such rental indicators shall become effective upon the date of publication in final form in the Federal Register.

(d) ANNUAL ADJUSTMENT.—Each rental indicator in effect under this section shall be adjusted to be effective on October 1 of each year 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 dwelling units of various sizes and types in the market area suitable for occupancy by families assisted under this title.

SEC. 1324. LEASE TERMS.

Rental assistance may be provided for an eligible dwelling unit only 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 a lease shall be subject to the provisions set forth in sections 1642 and 1643; and

(3) is set forth in the standard form, which is used in the local housing market area by the owner and applies generally to any other tenants in the property who are not assisted families, together with any addendum necessary to include the many terms required under this section.

A lease may include any addenda appropriate to set forth the provisions under this title.

SEC. 1325. TERMINATION OF TENANCY.

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. 1326. ELIGIBLE OWNERS.

(a) OWNERSHIP ENTITY.—Rental assistance under this title may be provided for any 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 public housing agency.

(b) INELIGIBLE OWNERS.—

(1) IN GENERAL.—Notwithstanding subsection (a), a public housing agency—

(A) may not enter into a housing assistance 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;

(B) may 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 takes effect.

If the public housing agency takes action under subparagraph (B), the agency shall take such actions as may be necessary to protect assisted families who are affected by the action, which may include the provision of additional assistance under this title to such families.

(2) PROHIBITION OF SALE OR RENTAL 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.

SEC. 1327. SELECTION OF DWELLING UNITS.

(a) FAMILY CHOICE.—The determination of the dwelling unit in which an assisted family resides and for which housing assistance is provided under this title shall be made solely by the assisted family, subject to the provisions of this title and any applicable law.

(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 may be construed to affect the provisions or applicability of the Fair Housing Act.

SEC. 1328. ELIGIBLE DWELLING UNITS.

(a) IN GENERAL.—A dwelling unit shall be an eligible dwelling unit for purposes of this title only if the public housing agency 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—

(A) in the case of a dwelling unit located in a jurisdiction which has in effect laws, regulations, standards, or codes regarding habitability of residential dwellings, with such applicable laws, regulations, standards, or codes; or

(B) in 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 established under subsection (c).

Each public housing agency providing housing assistance shall identify, in the local housing management plan for the agency, whether the agency is utilizing the standard under subparagraph (A) or (B) of paragraph (2).

(b) DETERMINATIONS.—

(1) IN GENERAL.—A public housing agency shall make the determinations required under subsection (a) pursuant to an inspection of the dwelling unit conducted before any assistance payment is made for the unit.

(2) EXPEDITIOUS INSPECTION.—Inspections of dwelling units under this subsection shall be made before the expiration of the 15-day period beginning upon a request by the resident or landlord to the public housing agency. The performance of the agency in meeting the 15-day inspection deadline shall be taken into account in assessing the performance of the agency.

(c) FEDERAL HOUSING QUALITY STANDARDS.—The Secretary shall establish housing quality standards under this subsection that

ensure that assisted dwelling units are safe, clean, and healthy. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extent practicable, be consistent with the standards established under section 1232(b). The Secretary shall differentiate between major and minor violations of such standards.

(d) ANNUAL INSPECTIONS.—Each public housing agency providing housing assistance shall make an annual inspection of each assisted dwelling unit during the term of the housing assistance payments contracts for the unit to determine whether the unit is maintained in accordance with the requirements under subsection (a)(2). The agency shall retain the records of the inspection for a reasonable time and shall make the records available upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 1541.

(e) INSPECTION GUIDELINES.—The Secretary shall establish procedural guidelines and performance standards to facilitate inspections of 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 public housing agencies and shall provide flexibility to authorities appropriate to facilitate efficient provision of assistance under this title.

(f) RULE OF CONSTRUCTION.—This section may not be construed to prevent the provision of housing assistance in connection with supportive services for elderly or disabled families.

SEC. 1329. HOMEOWNERSHIP OPTION.

(a) IN GENERAL.—A public housing agency providing housing assistance under this title may provide homeownership assistance to assist eligible families to purchase a dwelling unit (including purchase under lease-purchase homeownership plans).

(b) REQUIREMENTS.—A public housing agency providing homeownership assistance under this section shall, as a condition of an eligible family receiving such assistance, require the family to—

(1) demonstrate that the family has sufficient income from employment or other sources (other than public assistance), as determined in accordance with requirements established by the agency; and

(2) meet any other initial or continuing requirements established by the public housing agency.

(c) DOWNPAYMENT REQUIREMENT.—

(1) IN GENERAL.—A public housing agency may establish minimum downpayment requirements, if appropriate, in connection with loans made for the purchase of dwelling units for which homeownership assistance is provided under this section. If the agency establishes a minimum downpayment requirement, the agency shall permit the family to use grant amounts, gifts from relatives, contributions from private sources, and similar amounts as downpayment amounts in such purchase, subject to the requirements of paragraph (2).

(2) DIRECT FAMILY CONTRIBUTION.—In purchasing housing pursuant to this section subject to a downpayment requirement, each family shall contribute an amount of the downpayment, from resources of the family other than grants, gifts, contributions, or 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 not receive homeownership assistance 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, including assistance under the HOME Investment Partnerships Act, the Homeownership and Opportunity Through HOPE Act, title II of the Housing and Community Development Act of 1987, and section 502 of the Housing Act of 1949.

SEC. 1330. ASSISTANCE FOR RENTAL OF MANUFACTURED HOMES.

(a) AUTHORITY.—Nothing in this title may be construed to prevent a public housing agency from providing housing assistance under this title on behalf of a low-income family for the rental of—

(1) a manufactured home that is the principal residence of the family and the real property on which the home is located; or

(2) the real property on which is located a manufactured home, which is owned by the family and is the principal residence of the family.

(b) ASSISTANCE FOR CERTAIN FAMILIES OWNING MANUFACTURED HOMES.—

(1) AUTHORITY.—Notwithstanding section 1351 or any other provision of this title, a public housing agency that receives amounts under a contract under section 1302 may enter into a housing assistance payment contract to make assistance payments under this title to a family that owns a manufactured home, but only as provided in paragraph (2).

(2) LIMITATIONS.—In the case only of a low-income family that owns a manufactured home, rents the real property on which it is located, and to whom housing assistance under this title has been made available for the rental of such property, the public housing agency making such assistance available shall enter into a contract to make housing assistance payments under this title directly to the family (rather than to the owner of such real property) if—

(A) the owner of the real property refuses to enter into a contract to receive housing assistance payments pursuant to section 1351(a);

(B) the family was residing in such manufactured home on such real property at the time such housing assistance was initially made available on behalf of the family;

(C) the family provides such assurances to the agency, as the Secretary may require, to ensure that amounts from the housing assistance payments are used for rental of the real property; and

(D) the rental of the real property otherwise complies with the requirements for assistance under this title.

A contract pursuant to this subsection shall be subject to the provisions of section 1351 and any other provisions applicable to housing assistance payments contracts under this title, except that the Secretary may provide such exceptions as the Secretary considers appropriate to facilitate the provision of assistance under this subsection.

Subtitle C—Payment of Housing Assistance on Behalf of Assisted Families

SEC. 1351. HOUSING ASSISTANCE PAYMENTS CONTRACTS.

(a) IN GENERAL.—Each public housing agency that receives amounts under a contract under section 1302 may enter into housing assistance payments contracts with owners of existing dwelling units to make housing assistance payments to such owners in accordance with this title.

(b) PHA ACTING AS OWNER.—A public housing agency may enter into a housing assistance payments contract to make housing assistance payments under this title to itself (or any agency or instrumentality thereof) as the owner of dwelling units (other than public housing), and the agency shall be subject to the same requirements that are applicable to other owners, except that the determinations under sections 1328(a) and 1354(b) shall be made by a competent party not affiliated with the agency, and the agency shall be responsible for any expenses 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 1324;

(3) comply with the requirements of sections 1325, 1642, and 1643 (relating to termination of tenancy);

(4) require the owner to maintain the dwelling unit in accordance with the applicable standards under section 1328(a)(2); and

(5) provide that the screening and selection of eligible families for assisted dwelling units shall be the function of the owner.

SEC. 1352. AMOUNT OF MONTHLY ASSISTANCE PAYMENT.

(a) UNITS HAVING GROSS RENT EXCEEDING PAYMENT STANDARD.—In the case of a dwelling unit bearing a gross rent that exceeds the payment standard established under section 1353 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 shall be the amount by which such payment standard exceeds the amount of the resident contribution determined in accordance with section 1322(a)(1).

(b) SHOPPING INCENTIVE FOR UNITS HAVING GROSS RENT NOT EXCEEDING PAYMENT STANDARD.—In the case of an assisted family renting an eligible dwelling unit bearing a gross rent that does not exceed the payment standard established under section 1353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located, the following requirements shall apply:

(1) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—The amount of the monthly assistance payment for housing assistance under this title on behalf of the assisted family shall be the amount by which the gross rent for the dwelling unit exceeds the amount of the resident contribution.

(2) ESCROW OF SHOPPING INCENTIVE SAVINGS.—An amount equal to 50 percent of the difference between payment standard and the gross rent for the dwelling unit shall be placed in an interest bearing escrow account on behalf of such family on a monthly basis by the public housing agency. Amounts in the escrow account shall be made available to the assisted family on an annual basis.

(3) DEFICIT REDUCTION.—The public housing agency making housing assistance payments on behalf of such assisted family in a fiscal year shall reserve from amounts made available to the agency for assistance payments for such fiscal year an amount equal to the amount described in paragraph (2). At the end of each fiscal year, the Secretary shall recapture any such amounts reserved by public housing agencies and such amounts shall be covered into the General Fund of the Treasury of the United States.

For purposes of this section, in the case of a family receiving homeownership assistance under section 1329, the term ''gross rent'' shall mean the homeownership costs to the family as determined in accordance with guidelines of the Secretary.

SEC. 1353. PAYMENT STANDARDS.

(a) ESTABLISHMENT.—Each public housing agency providing housing assistance 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 assistance 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 1323 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 public housing agency and are occupying dwelling units of a particular size are paying more than 30 percent of their adjusted incomes for rent, the Secretary shall review the payment standard established by the agency for such size dwellings. If, pursuant to the review, the Secretary determines that such payment standard is not appropriate to serve the needs of the low-income population of the jurisdiction served by the agency (taking into consideration rental costs in the area), as identified in the approved community improvement plan of the agency, the Secretary may require the public housing agency to modify the payment standard.

SEC. 1354. REASONABLE RENTS.

(a) ESTABLISHMENT.—The rent charged for a dwelling unit for which rental assistance is provided under this title shall be established pursuant to negotiation and agreement between the assisted family and the owner of the dwelling unit.

(b) REASONABLENESS.—

(1) DETERMINATION.—A public housing agency providing rental assistance under this title for a dwelling unit shall, before commencing assistance payments for a unit (with respect to initial contract rents and any rent revisions), determine whether the rent charged for the unit exceeds the rents charged for comparable units in the applicable private unassisted market.

(2) UNREASONABLE RENTS.—If the agency determines that the rent charged for a dwelling unit exceeds such comparable rents, the agency shall—

(A) inform the assisted family renting the unit that such rent exceeds the rents for comparable unassisted units in the market; and

(B) refuse to provide housing assistance payments for such unit.

SEC. 1355. PROHIBITION OF ASSISTANCE FOR VACANT RENTAL UNITS.

If an assisted family vacates a 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, rental assistance pursuant 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. 1371. 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 1328 for consideration as an eligible dwelling unit.

(5) ELIGIBLE FAMILY.—The term ''eligible family'' means a family that meets the requirements under section 1321(a) for assistance under this title.

(6) HOMEOWNERSHIP ASSISTANCE.—The term ''homeownership assistance'' means housing assistance provided under section 1329 for the ownership of a dwelling unit.

(7) HOUSING ASSISTANCE.—The term ''housing assistance'' means choice-based assistance provided under this title on behalf of low-income families for the rental or ownership of an eligible dwelling unit.

(8) HOUSING ASSISTANCE PAYMENTS CONTRACT.—The term ''housing assistance payments contract'' means a contract under section 1351 between a public housing agency (or the Secretary) and an owner to make housing assistance payments under this title to the owner on behalf of an assisted family.

(9) PUBLIC HOUSING AGENCY.—The terms ''public housing agency'' and ''agency'' have the meaning given such terms in section 1103, except that the terms include—

(A) a consortia of public housing agencies 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 effective date of this division, was administering any program for tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act), pursuant to a contract with the Secretary or a public housing agency; and

(C) with respect to any area in which no public housing agency has been organized or where the Secretary determines that a public housing agency is unwilling or unable to implement this title, or is not performing effectively—

(i) the Secretary or another entity that by contract agrees to receive assistance amounts under this title and enter into housing assistance payments contracts with owners and perform the other functions of public housing agency under this title; or

(ii) notwithstanding any provision of State or local law, a public housing agency for another area that contracts with the Secretary to administer a program for housing assistance under this title, without regard to any otherwise applicable limitations on its area of operation.

(10) OWNER.—The term ''owner'' means the person or entity having the legal right to lease or sublease dwelling units. Such term includes any principals, general partners, primary shareholders, and other similar participants in any entity owning a multifamily housing project, as well as the entity itself.

(11) RENT.—The terms ''rent'' and ''rental'' include, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative.

(12) RENTAL ASSISTANCE.—The term ''rental assistance'' means housing assistance provided under this title for the rental of a dwelling unit.

SEC. 1372. RENTAL ASSISTANCE FRAUD RECOVERIES.

(a) AUTHORITY TO RETAIN RECOVERED AMOUNTS.—The Secretary shall permit public housing agencies 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 agency 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 agency through a lawsuit (including settlement of the lawsuit) brought by the agency or through court-ordered restitution pursuant to a criminal proceeding resulting from an agency's investigation where the agency seeks prosecution of a family or where an agency seeks prosecution of an owner;

(2) through administrative repayment agreements with a family or owner entered into as a result of an administrative grievance procedure conducted by an impartial decisionmaker in accordance with section 1110; or

(3) through an agreement between the parties.

SEC. 1373. STUDY REGARDING GEOGRAPHIC CONCENTRATION OF ASSISTED FAMILIES.

(a) IN GENERAL.—The Secretary shall conduct a study of the geographic areas in the State of Illinois 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 upon the enactment of this Act) and under this title; and

(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—

(1) 15 percent or more of the households residing within such area have incomes which do not exceed the poverty level; or

(2) 15 percent or more of the total affordable housing stock located within such area is assisted housing.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 1374. STUDY REGARDING RENTAL ASSISTANCE.

The Secretary shall conduct a nationwide study of the choice-based housing assistance program under this title and the tenant-based rental assistance program under section 8 of the United States Housing Act of 1937 (as in effect pursuant to sections 1601(c) and 1602(b)). The study shall, for various localities—

(1) determine who are the providers of the housing in which families assisted under such programs reside;

(2) describe and analyze the physical and demographic characteristics of the housing in which such assistance is used, including, for housing in which at least one such assisted family resides, the total number of

units in the housing and the number of units in the housing for which such assistance is provided;

(3) determine the total number of units for which such assistance is provided;

(4) describe the durations that families remain on waiting lists before being provided such housing assistance; and

(5) assess the extent and quality of participation of housing owners in such assistance programs in relation to the local housing market, including comparing—

(A) the quality of the housing assisted to the housing generally available in the same market; and

(B) the extent to which housing is available to be occupied using such assistance to the extent to which housing is generally available in the same market.

The Secretary shall submit a report describing the results of the study to the Congress not later than the expiration of the 2-year period beginning on the date of the enactment of this Act.

TITLE XIV—HOME RULE FLEXIBLE GRANT OPTION

SEC. 1401. PURPOSE.

The purpose of this title is to give local governments and municipalities the flexibility to design creative approaches for providing and administering Federal housing assistance based on the particular needs of the communities that—

(1) give incentives to low-income families with children where the head of household is working, seeking work, or preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient;

(2) reduce cost and achieve greater cost-effectiveness in Federal housing assistance expenditures;

(3) increase housing choices for low-income families; and

(4) reduce excessive geographic concentration of assisted families.

SEC. 1402. FLEXIBLE GRANT PROGRAM.

(a) AUTHORITY AND USE.—The Secretary shall carry out a program under which a jurisdiction may, upon the application of the jurisdiction and the review and approval of the Secretary, receive, combine, and enter into performance-based contracts for the use of amounts of covered housing assistance in a period consisting of not less than 1 nor more than 5 fiscal years in the manner determined appropriate by the participating jurisdiction—

(1) to provide housing assistance and services for low-income families in a manner that facilitates the transition of such families to work;

(2) to reduce homelessness;

(3) to increase homeownership among low-income families; and

(4) for other housing purposes for low-income families determined by the participating jurisdiction.

(b) INAPPLICABILITY OF CATEGORICAL PROGRAM REQUIREMENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and section 1405, the provisions of this division regarding use of amounts made available under each of the programs included as covered housing assistance and the program requirements applicable to each such program shall not apply to amounts received by a jurisdiction pursuant to this title.

(2) APPLICABILITY OF CERTAIN LAWS.—This title may not be construed to exempt assistance under this division from, or make inapplicable any provision of this division or of any other law that requires that assistance under this division be provided in compliance with—

(A) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

(B) the Fair Housing Act (42 U.S.C. 3601 et seq.);

(C) section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(D) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

(E) the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.);

(F) the Americans with Disabilities Act of 1990; or

(G) the National Environmental Policy Act of 1969 and other provisions of law that further protection of the environment (as specified in regulations that shall be issued by the Secretary).

(c) EFFECT ON PROGRAM ALLOCATIONS FOR COVERED HOUSING ASSISTANCE.—The amount of assistance received pursuant to this title by a participating jurisdiction shall not be decreased, because of participation in the program under this title, from the sum of the amounts that otherwise would be made available for or within the participating jurisdiction under the programs included as covered housing assistance.

SEC. 1403. COVERED HOUSING ASSISTANCE.

For purposes of this title, the term ''covered housing assistance'' means—

(1) operating assistance provided under section 9 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act);

(2) modernization assistance provided under section 14 of such Act;

(3) assistance provided under section 8 of such Act for the certificate and voucher programs;

(4) assistance for public housing provided under title XII of this Act; and

(5) choice-based rental assistance provided under title XIII of this Act.

Such term does not include any amounts obligated for assistance under existing contracts for project-based assistance under section 8 of the United States Housing Act of 1937 or section 1601(f) of this Act.

SEC. 1404. PROGRAM REQUIREMENTS.

(a) ELIGIBLE FAMILIES.—Each family on behalf of whom assistance is provided for rental or homeownership of a dwelling unit using amounts made available pursuant to this title shall be a low-income family. Each dwelling unit assisted using amounts made available pursuant to this title shall be available for occupancy only by families that are low-income families at the time of their initial occupancy of the unit.

(b) COMPLIANCE WITH ASSISTANCE PLAN.—A participating jurisdiction shall provide assistance using amounts received pursuant to this title in the manner set forth in the plan of the jurisdiction approved by the Secretary under section 1406(a)(2).

(c) RENT POLICY.—A participating jurisdiction shall ensure that the rental contributions charged to families assisted with amounts received pursuant to this title—

(1) do not exceed the amount that would be chargeable under title XII to such families were such families residing in public housing assisted under such title; or

(2) are established, pursuant to approval by the Secretary of a proposed rent structure included in the application under section 1406, at levels that are reasonable and designed to eliminate any disincentives for members of the family to obtain employment and attain economic self-sufficiency.

(d) HOUSING QUALITY STANDARDS.—

(1) COMPLIANCE.—A participating jurisdiction shall ensure that housing assisted with amounts received pursuant to this title is maintained in a condition that complies—

(A) in the case of housing located in a jurisdiction which has in effect laws, regulations, standards, or codes regarding habitability of residential dwellings, with such applicable laws, regulations, standards, or codes; or

(B) in the case of housing located in a jurisdiction which does not have in effect laws, regulations, standards, or codes described in paragraph (1), with the housing quality standards established under paragraph (2).

(2) FEDERAL HOUSING QUALITY STANDARDS.—The Secretary shall establish housing quality standards under this paragraph that ensure that dwelling units assisted under this title are safe, clean, and healthy. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extent practicable, be consistent with the standards established under sections 1232(b) and 1328(c). The Secretary shall differentiate between major and minor violations of such standards.

(e) NUMBER OF FAMILIES ASSISTED.—A participating jurisdiction shall ensure that, in providing assistance with amounts received pursuant to this title in each fiscal year, not less than substantially the same total number of eligible low-income families are assisted as would have been assisted had the amounts of covered housing assistance not been combined for use under this title.

(f) CONSISTENCY WITH WELFARE PROGRAM.—A participating jurisdiction shall ensure that assistance provided with amounts received pursuant to this title is provided in a manner that is consistent with the welfare, public assistance, or other economic self-sufficiency programs operating in the jurisdiction by facilitating the transition of assisted families to work, which may include requiring compliance with the requirements under such welfare, public assistance, or self-sufficiency programs as a condition of receiving housing assistance with amounts provided under this title.

(g) TREATMENT OF CURRENTLY ASSISTED FAMILIES.—

(1) CONTINUATION OF ASSISTANCE.—A participating jurisdiction shall ensure that each family that was receiving housing assistance or residing in an assisted dwelling unit pursuant to any of the programs included as covered housing assistance immediately before the jurisdiction initially provides assistance pursuant to this title shall be offered assistance or an assisted dwelling unit under the program of the jurisdiction under this title.

(2) PHASE-IN OF RENT CONTRIBUTION INCREASES.—For any family that was receiving housing assistance pursuant to any of the programs included as covered housing assistance immediately before the jurisdiction initially provides assistance pursuant to this title, if the monthly contribution for rental of a dwelling unit assisted under this title to be paid by the family upon initial applicability of this title is greater than the amount paid by the family immediately before such applicability, any such resulting increase in rent contribution shall be—

(A) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more of such contribution before initial applicability; and

(B) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent of such contribution before initial applicability.

(h) AMOUNT OF ASSISTANCE.—In providing housing assistance using amounts received pursuant to this title, the amount of assistance provided by a participating jurisdiction on behalf of each assisted low-income family shall be sufficient so that if the family used such assistance to rent a dwelling unit having a rent equal to the 40th percentile of

rents for standard quality rental units of the same size and type in the same market area, the contribution toward rental paid by the family would be affordable (as such term is defined by the jurisdiction) to the family.

(i) PORTABILITY.—A participating jurisdiction shall ensure that financial assistance for housing provided with amounts received pursuant to this title may be used by a family moving from an assisted dwelling unit located within the jurisdiction to obtain a dwelling unit located outside of the jurisdiction.

(j) PREFERENCES.—In providing housing assistance using amounts received pursuant to this title, a participating jurisdiction may establish a system for making housing assistance available that provides preference for assistance to families having certain characteristics. A system of preferences established pursuant to this subsection shall be based on local housing needs and priorities, as determined by the jurisdiction using generally accepted data sources.

(k) COMMUNITY WORK REQUIREMENT.—

(1) APPLICABILITY OF REQUIREMENTS FOR PHA'S.—Except as provided in paragraph (2), participating jurisdictions, families assisted with amounts received pursuant to this title, and dwelling units assisted with amounts received pursuant to this title, shall be subject to the provisions of section 1105 to the same extent that such provisions apply with respect to public housing agencies, families residing in public housing dwelling units and families assisted under title XIII, and public housing dwelling units and dwelling units assisted under title XIII.

(2) LOCAL COMMUNITY SERVICE ALTERNATIVE.—Paragraph (1) shall not apply to a participating jurisdiction that, pursuant to approval by the Secretary of a proposal included in the application under section 1406, is carrying out a local program that is designed to foster community service by families assisted with amounts received pursuant to this title.

(l) INCOME TARGETING.—In providing housing assistance using amounts received pursuant to this title in any fiscal year, a participating jurisdiction shall ensure that the number of families having incomes that do not exceed 30 percent of the area median income that are initially assisted under this title during such fiscal year is not less than substantially the same number of families having such incomes that would be initially assisted in such jurisdiction during such fiscal year under titles XII and XIII pursuant to sections 1222(c) and 1321(b)).

SEC. 1405. APPLICABILITY OF CERTAIN PROVISIONS.

(a) PUBLIC HOUSING DEMOLITION AND DISPOSITION REQUIREMENTS.—section 1261 shall continue to apply to public housing notwithstanding any use of the housing under this title.

(b) LABOR STANDARDS.—section 1112 shall apply to housing assisted with amounts provided pursuant to this title, other than housing assisted solely due to occupancy by families receiving tenant-based assistance.

SEC. 1406. APPLICATION.

(a) IN GENERAL.—The Secretary shall provide for jurisdictions to submit applications to receive and use covered housing assistance amounts as authorized in this title for periods of not less than 1 and not more than 5 fiscal years. An application—

(1) shall be submitted only after the jurisdiction provides for citizen participation through a public hearing and, if appropriate, other means;

(2) shall include a plan developed by the jurisdiction for the provision of housing assistance with amounts received pursuant to this title that takes into consideration comments from the public hearing and any other public comments on the proposed program, and comments from current and prospective residents who would be affected, and that includes criteria for meeting each of the requirements under section 1404 and this title;

(3) shall describe how the plan for use of amounts will assist in meeting the goals set forth in section 1401;

(4) shall propose standards for measuring performance in using assistance provided pursuant to this title based on the performance standards under subsection (b)(2);

(5) shall propose the length of the period for which the jurisdiction is applying for assistance under this title;

(6) may include a request assistance for training and technical assistance to assist with design of the program and to participate in a detailed evaluation;

(7) shall—

(A) in the case of the application of any jurisdiction within whose boundaries are areas subject to any other unit of general local government, include the signed consent of the appropriate executive official of such unit to the application; and

(B) in the case of the application of a consortia of units of general local government (as provided under section 1409(1)(B)), include the signed consent of the appropriate executive officials of each unit included in the consortia;

(8) shall include information sufficient, in the determination of the Secretary—

(A) to demonstrate that the jurisdiction has or will have management and administrative capacity sufficient to carry out the plan under paragraph (2);

(B) to demonstrate that carrying out the plan will not result in excessive duplication of administrative efforts and costs, particularly with respect to activities performed by public housing agencies operating within the boundaries of the jurisdiction;

(C) to describe the function and activities to be carried out by such public housing agencies affected by the plan; and

(D) to demonstrate that the amounts received by the jurisdiction will be maintained separate from other funds available to the jurisdiction and will be used only to carry out the plan; and

(9) shall include information describing how the jurisdiction will make decisions regarding asset management of housing for low-income families under programs for covered housing assistance or assisted with grant amounts under this title.

A plan required under paragraph (2) to be included in the application may be contained in a memorandum of agreement or other document executed by a jurisdiction and public housing agency, if such document is submitted together with the application.

(b) REVIEW, APPROVAL, AND PERFORMANCE STANDARDS.—

(1) REVIEW.—The Secretary shall review applications for assistance pursuant to this title and shall approve or disapprove such applications within 60 days after their submission. The Secretary shall provide affected public housing agencies an opportunity to review an application submitted under this subsection and to provide written comments on the application, which shall be a period of not less than 30 days ending before the Secretary approves or disapproves the application. If the Secretary determines that the application complies with the requirements of this title, the Secretary shall offer to enter into an agreement with jurisdiction providing for assistance pursuant to this title and incorporating a requirement that the jurisdiction achieve a particular level of performance in each of the areas for which performance standards are established under paragraph (2). If the Secretary determines that an application does not comply with the requirements of this title, the Secretary shall notify the jurisdiction submitting the application of the reasons for such disapproval and actions that may be taken to make the application approvable. Upon approving or disapproving an application under this paragraph, the Secretary shall make such determination publicly available in writing together with a written statement of the reasons for such determination.

(2) PERFORMANCE STANDARDS.—The Secretary shall establish standards for measuring performance of jurisdictions in the following areas:

(A) Success in moving dependent low-income families to economic self-sufficiency.

(B) Success in reducing the numbers of long-term homeless families.

(C) Decrease in the per-family cost of providing assistance.

(D) Reduction of excessive geographic concentration of assisted families.

(E) Any other performance goals that the Secretary may prescribe.

(3) APPROVAL.—If the Secretary and a jurisdiction that the Secretary determines has submitted an application meeting the requirements of this title enter into an agreement referred to in paragraph (1), the Secretary shall approve the application and provide covered housing assistance for the jurisdiction in the manner authorized under this title. The Secretary may not approve any application for assistance pursuant to this title unless the Secretary and jurisdiction enter into an agreement referred to in paragraph (1). The Secretary shall establish requirements for the approval of applications under this section submitted by public housing agencies designated under section 1533(a) as troubled, which may include additional or different criteria determined by the Secretary to be more appropriate for such agencies.

(c) STATUS OF PHA'S.—Nothing in this section or title may be construed to require any change in the legal status of any public housing agency or in any legal relationship between a jurisdiction and a public housing agency as a condition of participation in the program under this title.

SEC. 1407. TRAINING.

The Secretary, in consultation with representatives of public and assisted housing interests, shall provide training and technical assistance relating to providing assistance under this title and conduct detailed evaluations of up to 30 jurisdictions for the purpose of identifying replicable program models that are successful at carrying out the purposes of this title.

SEC. 1408. ACCOUNTABILITY.

(a) PERFORMANCE GOALS.—The Secretary shall monitor the performance of participating jurisdictions in providing assistance pursuant to this title based on the performance standards contained in the agreements entered into pursuant to section 1406(b)(1).

(b) KEEPING RECORDS.—Each participating jurisdiction shall keep such records as the Secretary may prescribe as reasonably necessary to disclose the amounts and the disposition of amounts provided pursuant to this title, to ensure compliance with the requirements of this title and to measure performance against the performance goals under subsection (a).

(c) REPORTS.—Each participating jurisdiction agency shall submit to the Secretary a report, or series of reports, in a form and at a time specified by the Secretary. The reports shall—

(1) document the use of funds made available under this title;

(2) provide such information as the Secretary may request to assist the Secretary in assessing the program under this title; and

(3) describe and analyze the effect of assisted activities in addressing the purposes of this title.

(d) ACCESS TO DOCUMENTS BY SECRETARY.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this title.

(e) ACCESS TO DOCUMENTS BY COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this title.

SEC. 1409. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) JURISDICTION.—The term ''jurisdiction'' means—

(A) a unit of general local government (as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act) that has boundaries, for purposes of carrying out this title, that—

(i) wholly contain the area within which a public housing agency is authorized to operate; and

(ii) do not contain any areas contained within the boundaries of any other participating jurisdiction; and

(B) a consortia of such units of general local government, organized for purposes of this title.

(2) PARTICIPATING JURISDICTION.—The term ''participating jurisdiction'' means, with respect to a period for which such approval is made, a jurisdiction that has been approved under section 1406(b)(3) to receive assistance pursuant to this title for such fiscal year.

TITLE XV—ACCOUNTABILITY AND OVERSIGHT OF PUBLIC HOUSING AGENCIES

Subtitle A—Study of Alternative Methods for Evaluating Public Housing Agencies

SEC. 1501. IN GENERAL.

The Secretary of Housing and Urban Development shall provide under section 1505 for a study to be conducted to determine the effectiveness of various alternative methods of evaluating the performance of public housing agencies and other providers of federally assisted housing.

SEC. 1502. PURPOSES.

The purposes of the study under this subtitle shall be—

(1) to identify and examine various methods of evaluating and improving the performance of public housing agencies in administering public housing and tenant-based rental assistance programs and of other providers of federally assisted housing, which are alternatives to oversight by the Department of Housing and Urban Development; and

(2) to identify specific monitoring and oversight activities currently conducted by the Department of Housing and Urban Development that are insufficient or ineffective in accurately and efficiently assessing the performance of public housing agencies and other providers of federally assisted housing, and to evaluate whether such activities should be eliminated, modified, or transferred to other entities (including government and private entities) to increase accuracy and effectiveness and improve monitoring.

SEC. 1503. EVALUATION OF VARIOUS PERFORMANCE EVALUATION SYSTEMS.

To carry out the purpose under section 1502(1), the study under this subtitle shall identify, and analyze and assess the costs and benefits of, the following methods of regulating and evaluating the performance of public housing agencies and other providers of federally assisted housing:

(1) CURRENT SYSTEM.—The system pursuant to the United States Housing Act of 1937 (as in effect upon the enactment of this Act), including the methods and requirements under such system for reporting, auditing, reviewing, sanctioning, and monitoring of such agencies and housing providers and the public housing management assessment program pursuant to subtitle C of this title (and section 6(j) of the United States Housing Act of 1937 (as in effect upon the enactment of this Act)).

(2) ACCREDITATION MODELS.—Various models that are based upon accreditation of such agencies and housing providers, subject to the following requirements:

(A) The study shall identify and analyze various models used in other industries and professions for accreditation and determine the extent of their applicability to the programs for public housing and federally assisted housing.

(B) If any accreditation models are determined to be applicable to the public and federally assisted housing programs, the study shall identify appropriate goals, objectives, and procedures for an accreditation program for such agencies housing providers.

(C) The study shall evaluate the effectiveness of establishing an independent accreditation and evaluation entity to assist, supplement, or replace the role of the Department of Housing and Urban Development in assessing and monitoring the performance of such agencies and housing providers.

(D) The study shall identify the necessary and appropriate roles and responsibilities of various entities that would be involved in an accreditation program, including the Department of Housing and Urban Development, the Inspector General of the Department, an accreditation entity, independent auditors and examiners, local entities, and public housing agencies.

(E) The study shall determine the costs involved in developing and maintaining such an independent accreditation program.

(F) The study shall analyze the need for technical assistance to assist public housing agencies in improving performance and identify the most effective methods to provide such assistance.

(3) PERFORMANCE BASED MODELS.—Various performance-based models, including systems that establish performance goals or targets, assess the compliance with such goals or targets, and provide for incentives or sanctions based on performance relative to such goals or targets.

(4) LOCAL REVIEW AND MONITORING MODELS.—Various models providing for local, resident, and community review and monitoring of such agencies and housing providers, including systems for review and monitoring by local and State governmental bodies and agencies.

(5) PRIVATE MODELS.—Various models using private contractors for review and monitoring of such agencies and housing providers.

(6) OTHER MODELS.—Various models of any other systems that may be more effective and efficient in regulating and evaluating such agencies and housing providers.

SEC. 1504. CONSULTATION.

The entity that, pursuant to section 1505, carries out the study under this subtitle shall, in carrying out the study, consult with individuals and organization experienced in managing public housing, private real estate managers, representatives from State and local governments, residents of public housing, families and individuals receiving choice- or tenant-based assistance, the Secretary of Housing and Urban Development, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States.

SEC. 1505. CONTRACT TO CONDUCT STUDY.

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall enter into a contract with a public or nonprofit private entity to conduct the study under this subtitle, using amounts made available pursuant to section 1507.

(b) NATIONAL ACADEMY OF PUBLIC ADMINISTRATION.—The Secretary shall request the National Academy of Public Administration to enter into the contract under subsection (a) to conduct the study under this subtitle. If such Academy declines to conduct the study, the Secretary shall carry out such subsection through other public or nonprofit private entities.

SEC. 1506. REPORT.

(a) INTERIM REPORT.—The Secretary shall ensure that not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the entity conducting the study under this subtitle submits to the Congress an interim report describing the actions taken to carry out the study, the actions to be taken to complete the study, and any findings and recommendations available at the time.

(b) FINAL REPORT.—The Secretary shall ensure that—

(1) not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the study required under this subtitle is completed and a report describing the findings and recommendations as a result of the study is submitted to the Congress; and

(2) before submitting the report under this subsection to the Congress, the report is submitted to the Secretary and national organizations for public housing agencies at such time to provide the Secretary and such agencies an opportunity to review the report and provide written comments on the report, which shall be included together with the report upon submission to the Congress under paragraph (1).

SEC. 1507. FUNDING.

Of any amounts made available under title V of the Housing and Urban Development Act of 1970 for policy development and research for fiscal year 1998, $500,000 shall be available to carry out this subtitle.

SEC. 1508. EFFECTIVE DATE.

This subtitle shall take effect on the date of the enactment of this Act.

Subtitle B—Housing Evaluation and Accreditation Board

SEC. 1521. ESTABLISHMENT.

(a) IN GENERAL.—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'').

(b) REQUIREMENT FOR CONGRESSIONAL REVIEW OF STUDY.—Notwithstanding any other provision of this division, sections 1523, 1524, and 1525 shall not take effect and the Board shall not have any authority to take any action under such sections (or otherwise) unless there is enacted a law specifically providing for the repeal of this subsection. This subsection may not be construed to prevent the appointment of the Board under section 1522.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 1522. 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 the final report regarding the study required under subtitle A is submitted to the Congress pursuant to section 1506(b), 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 at all times have the following members:

(A) 2 members who are residents of public housing or dwelling units assisted under title XIII of this Act or the provisions of section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act).

(B) At least 2, but not more than 4 members who are executive directors of public housing agencies.

(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 assisted under a program administered by the Secretary of Housing and Urban Development.

(2) REQUIRED EXPERIENCE.—The Board shall at all times have as members individuals with the following experience:

(A) At least 1 individual who has extensive experience in the residential real estate finance business.

(B) At least 1 individual who has extensive experience in operating a nonprofit organization that provides affordable housing.

(C) At least 1 individual who has extensive experience in construction of multifamily housing.

(D) At least 1 individual who has extensive experience in the management of a community development corporation.

(E) At least 1 individual who has extensive experience in auditing participants in government programs.

A single member of the board with the appropriate experience may satisfy the requirements of more than 1 subparagraph of this paragraph. A single member of the board with the appropriate qualifications and experience may satisfy the requirements of a subparagraph of paragraph (1) and a subparagraph of this paragraph.

(c) POLITICAL AFFILIATION.—Not more than 6 members of the Board may be of the same political party.

(d) TERMS.—

(1) IN GENERAL.—Each member of the Board shall be appointed for a term of 4 years, except as provided in paragraphs (2) and (3).

(2) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

(A) 3 shall be appointed for terms of 1 year;

(B) 3 shall be appointed for terms of 2 years;

(C) 3 shall be appointed for terms of 3 years; and

(D) 3 shall be appointed for terms of 4 years.

(3) 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 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.

(e) CHAIRPERSON.—The Board shall elect a chairperson from among members of the Board.

(f) QUORUM.—A majority of the members of the Board shall constitute a quorum for the transaction of business.

(g) 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.

(h) 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. 1523. FUNCTIONS.

The purpose of this subtitle is to establish the Board as a nonpolitical entity to carry out, not later than the expiration of the 12-month period beginning upon the appointment under section 1522 of all of the initial members of the Board (or such other date as may be provided by law), the following functions:

(1) ESTABLISHMENT OF PERFORMANCE BENCHMARKS.—The Board shall establish standards and guidelines for use by the Board in measuring the performance and efficiency of public housing agencies and other owners and providers of federally assisted housing in carrying out operational and financial functions. The standards and guidelines shall be designed to replace the public housing management assessment program under section 6(j) of the United States Housing Act of 1937 (as in effect before the enactment of this Act) and improve the evaluation of the performance of housing providers relative to such program. In establishing such standards and guidelines, the Board shall consult with the Secretary, the Inspector General of the Department of Housing and Urban Development, and such other persons and entities as the Board considers appropriate.

(2) ESTABLISHMENT OF ACCREDITATION PROCEDURE AND ACCREDITATION.—The Board shall—

(A) establish a procedure for the Board to accredit public housing agencies to receive block grants under title XII for the operation, maintenance, and production of public housing and amounts for housing assistance under title XIII, based on the performance of agencies, as measured by the performance benchmarks established under paragraph (1) and any audits and reviews of agencies; and

(B) commence the review and accreditation of public housing agencies under the procedures established under subparagraph (A).

In carrying out the functions under this section, the Board shall take into consideration the findings and recommendations contained in the report issued under section 1506(b).

SEC. 1524. POWERS.

(a) HEARINGS.—The Board may, for the purpose of carrying out this subtitle, hold such hearings and sit and act at such times and places as the Board determines appropriate.

(b) RULES AND REGULATIONS.—The Board may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) INFORMATION.—The Board may secure directly from any department or agency of the Federal Government such information as the Board may require for carrying out its functions, including public housing agency plans submitted to the Secretary by public housing agencies under title XI. Upon request of the Board, any such department or agency shall furnish such information.

(2) GENERAL SERVICES ADMINISTRATION.—The Administrator of General Services shall provide to the Board, on a reimbursable basis, such administrative support services as the Board may request.

(3) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—Upon the request of the chairperson of the Board, the Secretary of Housing and Urban Development shall, to the extent possible and subject to the discretion of the Secretary, detail any of the personnel of the Department of Housing and Urban Development, on a nonreimbursable basis, to assist the Board in carrying out its functions under this subtitle.

(4) HUD INSPECTOR GENERAL.—The Inspector General of the Department of Housing and Urban Development shall serve the Board as a principal adviser with respect to all aspects of audits of public housing agencies. The Inspector General may advise the Board with respect to other activities and functions of the Board.

(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(e) CONTRACTING.—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 conducting evaluations of public housing agencies, audits of public housing agencies, and research and surveys necessary to enable the Board to discharge its functions under this subtitle.

(f) STAFF.—

(1) EXECUTIVE DIRECTOR.—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 5, United States Code.

(2) OTHER PERSONNEL.—In addition to the executive director, the Board may appoint and fix the compensation of such personnel 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 53 of such title, relating to classification and General Schedule pay rates.

(g) ACCESS TO DOCUMENTS.—The Board shall have access for the purposes of carrying out its functions under this subtitle to any books, documents, papers, and records of a public housing agency to which the Secretary has access under this division.

SEC. 1525. FEES.

(a) ACCREDITATION FEES.—The Board may establish and charge reasonable fees for the accreditation of public housing agencies as the Board considers necessary to cover the costs of the operations of the Board relating to its functions under section 1523.

(b) FUND.—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.

SEC. 1526. GAO AUDIT.

The activities and transactions of the Board shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General. The representatives of the General Accounting Office shall have access for the purpose of audit and examination to any books, documents, papers, and records of the Board that are necessary to facilitate an audit.

Subtitle C—Interim Applicability of Public Housing Management Assessment Program

SEC. 1531. INTERIM APPLICABILITY.

This subtitle shall be effective only during the period that begins on the effective date

of this division and ends upon the date of the effectiveness of the standards and procedures required under section 1523.

SEC. 1532. MANAGEMENT ASSESSMENT INDICATORS.

(a) ESTABLISHMENT.—The Secretary shall develop and publish in the Federal Register indicators to assess the management performance of public housing agencies and other entities managing public housing (including resident management corporations, independent managers pursuant to section 1236, and management entities pursuant to subtitle D). The indicators shall be established by rule under section 553 of title 5, United States Code. Such indicators shall enable the Secretary to evaluate the performance of public housing agencies and such other managers of public housing in all major areas of management operations.

(b) CONTENT.—The management assessment indicators shall include the following indicators:

(1) The number and percentage of vacancies within an agency's or manager's inventory, including the progress that an agency or manager has made within the previous 3 years to reduce such vacancies.

(2) The amount and percentage of funds obligated to the public housing agency or manager from the capital fund or under section 14 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act), which remain unexpended after 3 years.

(3) The percentage of rents uncollected.

(4) The energy consumption (with appropriate adjustments to reflect different regions and unit sizes).

(5) The average period of time that an agency or manager requires to repair and turn-around vacant dwelling units.

(6) The proportion of maintenance work orders outstanding, including any progress that an agency or manager has made during the preceding 3 years to reduce the period of time required to complete maintenance work orders.

(7) The percentage of dwelling units that an agency or manager fails to inspect to ascertain maintenance or modernization needs within such period of time as the Secretary deems appropriate (with appropriate adjustments, if any, for large and small agencies or managers).

(8) The extent to which the rent policies of any public housing agency establishing rental amounts in accordance with section 1225(b) comply with the requirement under section 1225(c).

(9) Whether the agency is providing acceptable basic housing conditions, as determined by the Secretary.

(10) Whether the agency has conducted and regularly updated an assessment to identify any pest control problems in the public housing owned or operated by the agency and the extent to which the agency is effective in carrying out a strategy to eradicate or control such problems, which assessment and strategy shall be included in the local housing management plan for the agency under section 1106.

(11) Any other factors as the Secretary deems appropriate.

(c) CONSIDERATIONS IN EVALUATION.—The Secretary shall—

(1) administer the system of evaluating public housing agencies and managers flexibly to ensure that agencies and managers are not penalized as result of circumstances beyond their control;

(2) reflect in the weights assigned to the various management assessment indicators the differences in the difficulty of managing individual developments that result from their physical condition and their neighborhood environment; and

(3) determine a public housing agency's or manager's status as ''troubled with respect to modernization'' under section 1533(b) based upon factors solely related to its ability to carry out modernization activities.

SEC. 1533. DESIGNATION OF PHA'S.

(a) TROUBLED PHA'S.—The Secretary shall, under the rulemaking procedures under section 553 of title 5, United States Code, establish procedures for designating troubled public housing agencies and managers, which procedures shall include identification of serious and substantial failure to perform as measured by (1) the performance indicators specified under section 1532 and such other factors as the Secretary may deem to be appropriate; or (2) such other evaluation system as is determined by the Secretary to assess the condition of the public housing agency or other entity managing public housing, which system may be in addition to or in lieu of the performance indicators established under section 1532. Such procedures shall provide that an agency that does not provide acceptable basic housing conditions shall be designated a troubled public housing agency.

(b) AGENCIES TROUBLED WITH RESPECT TO CAPITAL ACTIVITIES.—The Secretary shall designate, by rule under section 553 of title 5, United States Code, agencies and managers that are troubled with respect to capital activities.

(c) AGENCIES AT RISK OF BECOMING TROUBLED.—The Secretary shall designate, by rule under section 553 of title 5, United States Code, agencies and managers that are at risk of becoming troubled.

(d) EXEMPLARY AGENCIES.—The Secretary may also, in consultation with national organizations representing public housing agencies and managers and public officials (as the Secretary determines appropriate), identify and commend public housing agencies and managers that meet the performance standards established under section 1532 in an exemplary manner.

(e) APPEAL OF DESIGNATION.—The Secretary shall establish procedures for public housing agencies and managers to appeal designation as a troubled agency or manager (including designation as a troubled agency or manager for purposes of capital activities), to petition for removal of such designation, and to appeal any refusal to remove such designation.

SEC. 1534. ON-SITE INSPECTION OF TROUBLED PHA'S.

(a) IN GENERAL.—Upon designating a public housing agency or manager as troubled pursuant to section 1533 and determining that an assessment under this section will not duplicate any other review previously conducted or required to be conducted of the agency or manager, the Secretary shall provide for an on-site, independent assessment of the management of the agency or manager.

(b) CONTENT.—To the extent the Secretary deems appropriate (taking into consideration an agency's or manager's performance under the indicators specified under section 1532, the assessment team shall also consider issues relating to the agency's or manager's resident population and physical inventory, including the extent to which—

(1) the public housing agency plan for the agency or manager adequately and appropriately addresses the rehabilitation needs of the public housing inventory;

(2) residents of the agency or manager are involved in and informed of significant management decisions; and

(3) any developments in the agency's or manager's inventory are severely distressed (as such term is defined under section 1262.

(c) INDEPENDENT ASSESSMENT TEAM.—An independent assessment under this section shall be carried out by a team of knowledgeable individuals selected by the Secretary (referred to in this title as the ''assessment team'') with expertise in public housing and real estate management. In conducting an assessment, the assessment team shall consult with the residents and with public and private entities in the jurisdiction in which the public housing is located. The assessment team shall provide to the Secretary and the public housing agency or manager a written report, which shall contain, at a minimum, recommendations for such management improvements as are necessary to eliminate or substantially remedy existing deficiencies.

SEC. 1535. ADMINISTRATION.

(a) PHA'S.—The Secretary shall carry out this subtitle with respect to public housing agencies substantially in the same manner as the public housing management assessment system under section 6(j) of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 1601(b) of this Act) was required to be carried out with respect to public housing agencies. The Secretary may comply with the requirements under this subtitle by using any regulations issued to carry out such system and issuing any additional regulations necessary to make such system comply with the requirements under this subtitle.

(b) OTHER MANAGERS.—The Secretary shall establish specific standards and procedures for carrying out this subtitle with respect to managers of public housing that are not public housing agencies. Such standards and procedures shall take in consideration special circumstances relating to entities hired, directed, or appointed to manage public housing.

Subtitle D—Accountability and Oversight Standards and Procedures

SEC. 1541. AUDITS.

(a) BY SECRETARY AND COMPTROLLER GENERAL.—Each block grant contract under section 1201 and each contract for housing assistance amounts under section 1302 shall provide that the Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency (or other entity) entering into such contract that are pertinent to this division and to its operations with respect to financial assistance under this division.

(b) BY PHA.—

(1) REQUIREMENT.—Each public housing agency that owns or operates 250 or more public housing dwelling units and receives assistance under this division shall have an audit made in accordance with chapter 75 of title 31, United States Code. The Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States shall have access to all books, documents, papers, or other records that are pertinent to the activities carried out under this division in order to make audit examinations, excerpts, and transcripts.

(2) WITHHOLDING OF AMOUNTS.—The Secretary may, in the sole discretion of the Secretary, arrange for, and pay the costs of, an audit required under paragraph (1). In such circumstances, the Secretary may withhold, from assistance otherwise payable to the agency under this division, amounts sufficient to pay for the reasonable costs of conducting an acceptable audit, including, when appropriate, the reasonable costs of accounting services necessary to place the agency's books and records in auditable condition.

SEC. 1542. PERFORMANCE AGREEMENTS FOR AUTHORITIES AT RISK OF BECOMING TROUBLED.

(a) IN GENERAL.—Upon designation of a public housing agency as at risk of becoming troubled under section 1533(c), the Secretary shall seek to enter into an agreement with the agency providing for improvement of the elements of the agency that have been identified. An agreement under this section shall contain such terms and conditions as the Secretary determines are appropriate for addressing the elements identified, which may include an on-site, independent assessment of the management of the agency.

(b) POWERS OF SECRETARY.—If the Secretary determines that such action is necessary to prevent the public housing agency from becoming a troubled agency, the Secretary may—

(1) solicit competitive proposals from other public housing agencies and private housing management agents (which may be selected by existing tenants through administrative procedures established by the Secretary), for any case in which such agents may be needed for managing all, or part, of the housing or functions administered by the agency; or

(2) solicit competitive proposals from other public housing agencies and private entities with experience in construction management, for any case in which such authorities or firms may be needed to oversee implementation of assistance made available for capital improvement for public housing of the agency.

SEC. 1543. PERFORMANCE AGREEMENTS AND CDBG SANCTIONS FOR TROUBLED PHA'S.

(a) IN GENERAL.—Upon designation of a public housing agency as a troubled agency under section 1533(a) and after reviewing the report submitted pursuant to section 1534(c) and consulting with the assessment team for the agency under section 1534, the Secretary shall seek to enter into an agreement with the agency providing for improving the management performance of the agency.

(b) CONTENTS.—An agreement under this section between the Secretary and a public housing agency shall set forth—

(1) targets for improving performance, as measured by the guidelines and standards established under section 1532 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;

(3) sanctions for failure to implement such strategies; and

(4) to the extent the Secretary deems appropriate, a plan for enhancing resident involvement in the management of the public housing agency.

(c) LOCAL ASSISTANCE IN IMPLEMENTATION.—The Secretary and the public housing agency shall, to the maximum extent practicable, seek the assistance of local public and private entities in carrying out an agreement under this section.

(d) DEFAULT UNDER PERFORMANCE AGREEMENT.—Upon the expiration of the 12-month period beginning upon entering into an agreement under this section with a public housing agency, the Secretary shall review the performance of the agency in relation to the performance targets and strategies under the agreement. If the Secretary determines that the agency has failed to comply with the performance targets established for such period, the Secretary shall take the action authorized under subsection (b)(2) or (b)(5) of section 1545.

(e) CDBG SANCTION AGAINST LOCAL GOVERNMENT CONTRIBUTING TO TROUBLED STATUS OF PHA.—If the Secretary determines that the actions or inaction of any unit of general local government within which any portion of the jurisdiction of a public housing agency is located has substantially contributed to the conditions resulting in the agency being designated under section 1533(a) as a troubled agency, the Secretary may redirect or withhold, from such unit of general local government any amounts allocated for such unit under section 106 of the Housing and Community Development Act of 1974.

SEC. 1544. OPTION TO DEMAND CONVEYANCE OF TITLE TO OR POSSESSION OF PUBLIC HOUSING.

(a) AUTHORITY FOR CONVEYANCE.—A contract under section 1201 for block grants under title XII (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 public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated, at the option of the Secretary, to—

(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 division; or

(2) deliver to the Secretary possession of the development, as then constituted, to which such contract relates.

(b) OBLIGATION TO RECONVEY.—Any block grant contract under title XII containing the provisions authorized in subsection (a) shall also provide that the Secretary shall be obligated to reconvey or redeliver possession of the development, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a 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 division, thereafter be operated in accordance with the terms of such contract; or

(2) the termination of the obligation to make annual block grants to the agency, unless there are any obligations or covenants of the agency 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 XII for an agency 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 public housing agency 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 division), continue to make the block grant payments for the agency 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 for the purpose at the time such block grant payments are made, will suffice for the payment of all installments of principal and interest on the obligations for which the amounts provided for in the contract shall have been pledged as security that fall due within the next succeeding 12 months.

In no case shall such block grant amounts be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.

SEC. 1545. REMOVAL OF INEFFECTIVE PHA'S.

(a) CONDITIONS OF REMOVAL.—The actions specified in subsection (b) may be taken only upon—

(1) the occurrence of events or conditions that constitute a substantial default by a public housing agency with respect to (A) the covenants or conditions to which the public housing agency is subject, or (B) an agreement entered into under section 1543; or

(2) submission to the Secretary of a petition by the residents of the public housing owned or operated by a public housing agency that is designated as troubled pursuant to section 1533(a).

(b) REMOVAL ACTIONS.—Notwithstanding any other provision of law or of any block grant contract under title XII or any grant agreement under title XIII, in accordance with subsection (a), the Secretary may—

(1) solicit competitive proposals from other public housing agencies and private housing management agents (which, in the discretion of the Secretary, may be selected by existing public housing residents through administrative procedures established by the Secretary) and, if appropriate, provide for such agents to manage all, or part, of the housing administered by the public housing agency or all or part of the other functions of the agency;

(2) take possession of the public housing agency, including any developments or functions of the agency under any section of this division;

(3) solicit competitive proposals from other public housing agencies and private entities with experience in construction management and, if appropriate, provide for such authorities or firms to oversee implementation of assistance made available for capital improvements for public housing;

(4) require the agency to make other arrangements acceptable to the Secretary and in the best interests of the public housing residents and assisted families under title XIII for managing all, or part of, the public housing administered by the agency or the functions of the agency; or

(5) petition for the appointment of a receiver for the public housing agency to any district court of the United States or to any court of the State in which any portion of the jurisdiction of the public housing agency is located, that is authorized to appoint a receiver for the purposes and having the powers prescribed in this section.

(c) EMERGENCY ASSISTANCE.—The Secretary may make available to receivers and other entities selected or appointed pursuant to this section such assistance as is fair and reasonable to remedy the substantial deterioration of living conditions in individual public housing developments or other related emergencies that endanger the health, safety and welfare of public housing residents or assisted families under title XIII.

(d) POWERS OF SECRETARY.—If the Secretary takes possession of an agency, or any developments or functions of an agency, pursuant to subsection (b)(2), the Secretary—

(1) may abrogate contracts that substantially impede correction of the substantial default or improvement of the classification, but only after efforts to renegotiate such contracts have failed and the Secretary has made a written determination regarding such abrogation, which shall be available to

the public upon request, identify such contracts, and explain the determination that such contracts may be abrogated;

(2) may demolish and dispose of assets of the agency in accordance with section 1261;

(3) where determined appropriate by the Secretary, may require the establishment of one or more new public housing agencies;

(4) may consolidate the agency into other well-managed public housing agencies with the consent of such well-managed authorities;

(5) shall not be subject to any State or local laws relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the Secretary, substantially impede correction of the substantial default or improvement of the classification, but only if the Secretary has made a written determination regarding such inapplicability, which shall be available to the public upon request, identify such inapplicable laws, and explain the determination that such laws impede such correction; and

(6) 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 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 public housing agency. The Secretary may delegate to the administrative receiver any 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 public housing agencies pursuant to paragraph (3) unless the Secretary first approves such establishment. For purposes of this subsection, the term ''public housing agency'' includes any developments or functions of a public housing agency under any section of this title.

(e) RECEIVERSHIP.—

(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 public housing agency in a manner consistent with this division and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another public housing agency, a private management corporation, 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 public housing agency pursuant to subsection (b)(5), in addition to the powers accorded by the court appointing the receiver, the receiver—

(A) may abrogate contracts that substantially impede correction of the substantial default or improvement of the classification, but only after bona fide efforts to renegotiate such contracts have failed and the receiver has made a written determination regarding such abrogation, which shall be available to the public upon request, identify such contracts, and explain the determination that such contracts may be abrogated;

(B) may demolish and dispose of assets of the agency in accordance with section 1261;

(C) where determined appropriate by the Secretary, may require the establishment of one or more new public housing agencies, 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 relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the receiver, substantially impede correction of the substantial default or improvement of the classification, but only if the receiver has made a written determination regarding such inapplicability, which shall be available to the public upon request, identify such inapplicable laws, and explain the determination that such laws impede such correction.

For purposes of this paragraph, the term ''public housing agency'' includes any developments or functions of a public housing agency 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 public housing agency will be able to make the same amount of progress in correcting the management of the housing as the receiver.

(f) LIABILITY.—If the Secretary takes possession of an agency pursuant to subsection (b)(2) or a receiver is appointed pursuant to subsection (b)(5) for a public housing agency, the Secretary or the receiver shall be deemed to be acting in the capacity of the public housing agency (and not in the official capacity as Secretary or other official) and any liability incurred shall be a liability of the public housing agency.

(g) EFFECTIVENESS.—The provisions of this section shall apply with respect to actions taken before, on, or after the effective date of this division and shall apply to any receivers appointed for a public housing agency before the effective date of this division.

SEC. 1546. MANDATORY TAKEOVER OF CHRONICALLY TROUBLED PHA'S.

(a) REMOVAL OF AGENCY.—Notwithstanding any other provision of this division, not later than the expiration of the 180-day period beginning on the effective date of this division, 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 1545(b)(1) and replace the management of the agency pursuant to selection of such a proposal.

(2) TAKEOVER.—Take possession of the agency pursuant to section 1545(b)(2).

(3) PETITION FOR RECEIVER.—Petition for the appointment of a receiver for the agency pursuant to section 1545(b)(5).

(b) DEFINITION.—For purposes of this section, the term ''chronically troubled public housing agency'' means a public housing agency that, as of the effective date of this division, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 1601(b) of this Act) as a troubled public housing agency and has been so designated continuously for the 3-year period ending upon the effective date of this division; 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. 1547. TREATMENT OF TROUBLED PHA'S.

(a) EFFECT OF TROUBLED STATUS ON CHAS.—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the State or unit of general local government in which any troubled public housing agency is located shall not be considered to comply with the requirements under section 105 of the Cranston-Gonzalez National Affordable Housing Act unless such plan includes a description of the manner in which the State or unit will assist such troubled agency in improving its operations to remove such designation.

(b) DEFINITION.—For purposes of this section, the term ''troubled public housing agency'' means a public housing agency that—

(1) upon the effective date of this division, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 1601(b) of 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 1546(b) of this Act.

SEC. 1548. MAINTENANCE OF RECORDS.

Each public housing agency shall keep such records as may be reasonably necessary to disclose the amount and the disposition by the agency of the proceeds of assistance received pursuant to this division and to ensure compliance with the requirements of this division.

SEC. 1549. ANNUAL REPORTS REGARDING TROUBLED PHA'S.

The Secretary shall submit a report to the Congress annually, as a part of the report of the Secretary under section 8 of the Department of Housing and Urban Development Act, that—

(1) identifies the public housing agencies that are designated under section 1533 as troubled or at-risk of becoming troubled and the reasons for such designation; and

(2) describes any actions that have been taken in accordance with sections 1542, 1543, 1544, and 1545.

SEC. 1550. 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 public housing agencies.

SEC. 1551. ADVISORY COUNCIL FOR HOUSING AUTHORITY OF NEW ORLEANS.

(a) ESTABLISHMENT.—The Secretary and the Housing Authority of New Orleans (in this section referred to as the ''Housing Authority'') shall, pursuant to the cooperative endeavor agreement in effect between the Secretary and the Housing Authority, establish an advisory council for the Housing Authority of New Orleans (in this section referred to as the ''advisory council'') that complies with the requirements of this section.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory council shall be appointed by the Secretary, not later than 90 days after the date of the enactment of this Act, and shall be composed of the following members:

(A) The Inspector General of the Department of Housing and Urban Development (or the Inspector General's designee).

(B) Not more than 7 other members, who shall be selected for appointment based on their experience in successfully reforming troubled public housing agencies or in providing affordable housing in coordination with State and local governments, the private sector, affordable housing residents, or local nonprofit organizations.

(2) PROHIBITION ON ADDITIONAL PAY.—Members of the advisory council 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 using amounts from the Headquarters Reserve fund pursuant to section 1111(b)(4).

(c) FUNCTIONS.—The advisory council shall—

(1) establish standards and guidelines for assessing the performance of the Housing Authority in carrying out operational, asset management, and financial functions for purposes of the reports and finding under subsections (d) and (e), respectively;

(2) provide advice, expertise, and recommendations to the Housing Authority regarding the management, operation, repair, redevelopment, revitalization, demolition, and disposition of public housing developments of the Housing Authority;

(3) report to the Congress under subsection (d) regarding any progress of the Housing Authority in improving the performance of its functions; and

(4) make a final finding to the Congress under subsection (e) regarding the future of the Housing Authority.

(d) QUARTERLY REPORTS.—The advisory council shall report to the Congress and the Secretary not less than every 3 months regarding the performance of the Housing Authority and any progress of the authority in improving its performance and carrying out its functions.

(e) FINAL FINDING.—Upon the expiration of the 18-month period that begins upon the appointment under subsection (b)(1) of all members of the advisory council, the council shall make and submit to the Congress and the Secretary a finding of whether the Housing Authority has substantially improved its performance, the performance of its functions, and the overall condition of the Authority such that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority. In making the finding under this subsection, the advisory council shall consider whether the Housing Authority has made sufficient progress in the demolition and revitalization of the Desire Homes development, the revitalization of the St. Thomas Homes development, the appropriate allocation of operating subsidy amounts, and the appropriate expending of modernization amounts.

(f) RECEIVERSHIP.—If the advisory council finds under subsection (e) that the Housing Authority has not substantially improved its performance such that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority, the Secretary shall (notwithstanding section 1545(a)) petition under section 1545(b) for the appointment of a receiver for the Housing Authority, which receivership shall be subject to the provisions of section 1545.

(g) EXEMPTION.—The provisions of section 1546 shall not apply to the Housing Authority.

TITLE XVI—REPEALS AND RELATED AMENDMENTS

Subtitle A—Repeals, Effective Date, and Savings Provisions

SEC. 1601. EFFECTIVE DATE AND REPEAL OF UNITED STATES HOUSING ACT OF 1937.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—This division and the amendments made by this division shall take effect on October 1, 1999, except as otherwise provided in this section.

(2) SPECIFIC EFFECTIVE DATES.—Any provision of this division that specifically provides for the effective date of such provision shall take effect in accordance with the terms of the provision.

(b) REPEAL OF UNITED STATES HOUSING ACT OF 1937.—Effective upon the effective date under subsection (a)(1), the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is repealed, subject to the conditions under subsection (c).

(c) SAVINGS PROVISIONS.—

(1) OBLIGATIONS UNDER 1937 ACT.—Any obligation of the Secretary made under authority of the United States Housing Act of 1937 shall continue to be governed by the provisions of such Act, except that—

(A) notwithstanding the repeal of such Act, the Secretary may make a new obligation under such Act upon finding that such obligation is required—

(i) to protect the financial interests of the United States or the Department of Housing and Urban Development; or

(ii) for the amendment, extension, or renewal of existing obligations; and

(B) notwithstanding the repeal of such Act, the Secretary may, in accordance with subsection (d), issue regulations and other guidance and directives as if such Act were in effect if the Secretary finds that such action is necessary to facilitate the administration of obligations under such Act.

(2) TRANSITION OF FUNDING.—Amounts appropriated under the United States Housing Act of 1937 shall, upon repeal of such Act, remain available for obligation under such Act in accordance with the terms under which amounts were made available.

(3) CROSS REFERENCES.—The provisions of the United States Housing Act of 1937 shall remain in effect for purposes of the validity of any reference to a provision of such Act in any statute (other than such Act) until such reference is modified by law or repealed.

(d) PUBLICATION AND EFFECTIVE DATE OF SAVINGS PROVISIONS.—

(1) SUBMISSION TO CONGRESS.—The Secretary shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a copy of any proposed regulation, guidance, or directive under subsection (c)(1)(B).

(2) OPPORTUNITY TO REVIEW.—Such a regulation, guidance, or directive may not be published for comment or for final effectiveness before or during the 15-calendar day period beginning on the day after the date on which such regulation, guidance, or directive was submitted to the Congress.

(3) EFFECTIVE DATE.—No regulation, guideline, or directive may become effective until after the expiration of the 30-calendar day period beginning on the day after the day on which such rule or regulation is published as final.

(4) WAIVER.—The provisions of paragraphs (2) and (3) may be waived upon the written request of the Secretary, if agreed to by the Chairmen and Ranking Minority Members of both Committees.

(e) MODIFICATIONS.—Notwithstanding any provision of this division or any annual contributions contract or other agreement entered into by the Secretary and a public housing agency pursuant to the provisions of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act), the Secretary and the agency may by mutual consent amend, supersede, or modify any such agreement as appropriate to provide for assistance under this division, except that the Secretary and the agency may not consent to any such amendment, supersession, or modification that substantially alters any outstanding obligations requiring continued maintenance of the low-income character of any public housing development and any such amendment, supersession, or modification shall not be given effect.

(f) SECTION 8 PROJECT-BASED ASSISTANCE.—

(1) IN GENERAL.—The provisions of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) shall remain in effect after the effectiveness of the repeal under subsection (b) with respect to all section 8 project-based assistance, pursuant to existing and future contracts, except as otherwise provided by this section.

(2) TENANT SELECTION PREFERENCES.—An owner of housing assisted with section 8 project-based assistance shall give preference, in the selection of tenants for units of such projects that become available, according to any system of local preferences established pursuant to section 1223 by the public housing agency having jurisdiction for the area in which such projects are located.

(3) 1-YEAR NOTIFICATION.—Paragraphs (9) and (10) of section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) shall not be applicable to section 8 project-based assistance.

(4) LEASE TERMS.—Leases for dwelling units assisted with section 8 project-based assistance shall comply with the provisions of paragraphs (1) and (3) of section 1324 of this Act and shall not be subject to the provisions of 8(d)(1)(B) of the United States Housing Act of 1937.

(5) TERMINATION OF TENANCY.—Any termination of tenancy of a resident of a dwelling unit assisted with section 8 project-based assistance shall comply with the provisions of section 1324(2) and section 1325 of this Act and shall not be subject to the provisions of section 8(d)(1)(B) of the United States Housing Act of 1937.

(6) TREATMENT OF COMMON AREAS.—The Secretary may not provide any assistance amounts pursuant to an existing contract for section 8 project-based assistance for a housing project and may not enter into a new or renewal contract for such assistance for a project unless the owner of the project provides consent, to such local law enforcement agencies as the Secretary determines appropriate, for law enforcement officers of such agencies to enter common areas of the project at any time and without advance notice upon a determination of probable cause by such officers that criminal activity is taking place in such areas.

(7) DEFINITION.—For purposes of this subsection, the term ''section 8 project-based assistance'' means assistance under any of the following programs:

(A) The new construction or substantial rehabilitation program under section 8(b)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1983).

(B) The property disposition program under section 8(b) of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act).

(C) The loan management set-aside program under subsections (b) and (v) of section 8 of such Act.

(D) The project-based certificate program under section 8(d)(2) of such Act.

(E) The moderate rehabilitation program under section 8(e)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1991).

(F) The low-income housing preservation program under Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect before November 28, 1990).

(G) Section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act), following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965 or section 236(f)(2) of the National Housing Act.

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 1602. OTHER REPEALS.

(a) IN GENERAL.—The following provisions of law are hereby repealed:

(1) ASSISTED HOUSING ALLOCATION.—Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439).

(2) PUBLIC HOUSING RENT WAIVERS FOR POLICE.—Section 519 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437a–1).

(3) TREATMENT OF CERTIFICATE AND VOUCHER HOLDERS.—Subsection (c) of section 183 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(4) EXCESSIVE RENT BURDEN DATA.—Subsection (b) of section 550 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(5) MOVING TO OPPORTUNITY FOR FAIR HOUSING.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(6) REPORT REGARDING FAIR HOUSING OBJECTIVES.—Section 153 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(7) SPECIAL PROJECTS FOR ELDERLY OR HANDICAPPED FAMILIES.—Section 209 of the Housing and Community Development Act of 1974 (42 U.S.C. 1438).

(8) ACCESS TO PHA BOOKS.—Section 816 of the Housing Act of 1954 (42 U.S.C. 1435).

(9) MISCELLANEOUS PROVISIONS.—Subsections (b)(1) and (d) of section 326 of the Housing and Community Development Amendments of 1981 (Public Law 97–35, 95 Stat. 406; 42 U.S.C. 1437f note).

(10) PAYMENT FOR DEVELOPMENT MANAGERS.—Section 329A of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437j–1).

(11) PROCUREMENT OF INSURANCE BY PHA'S.—In the item relating to ''ADMINISTRATIVE PROVISIONS'' under the heading ''MANAGEMENT AND ADMINISTRATION'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1991, the penultimate undesignated paragraph of such item (Public Law 101–507; 104 Stat. 1369).

(12) PUBLIC HOUSING CHILDHOOD DEVELOPMENT.—Section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z–6 note).

(13) INDIAN HOUSING CHILDHOOD DEVELOPMENT.—Section 518 of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z–6 note).

(14) PUBLIC HOUSING COMPREHENSIVE TRANSITION DEMONSTRATION.—Section 126 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(15) PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.—Section 521 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437t note).

(16) PUBLIC HOUSING MINCS DEMONSTRATION.—Section 522 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(17) PUBLIC HOUSING ENERGY EFFICIENCY DEMONSTRATION.—Section 523 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437g note).

(18) OMAHA HOMEOWNERSHIP DEMONSTRATION.—Section 132 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3712).

(19) PUBLIC AND ASSISTED HOUSING YOUTH SPORTS PROGRAMS.—Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a).

(20) FROST-LELAND PROVISIONS.—Section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (Public Law 100–202; 101 Stat. 1329–213); except that, notwithstanding any other provision of law, beginning on the date of enactment of this Act, the public housing projects described in section 415 of such appropriations Act (as such section existed immediately before the date of enactment of this Act) shall be eligible for demolition—

(A) under section 14 of the United States Housing Act of 1937 (as such section existed upon the enactment of this Act); and

(B) under section 9 of the United States Housing Act of 1937.

(21) MULTIFAMILY FINANCING.—The penultimate sentence of section 302(b)(2) of the National Housing Act (12 U.S.C. 1717(b)(2)) and the penultimate sentence of section 305(a)(2) of the Emergency Home Finance Act of 1970 (12 U.S.C. 1454(a)(2)).

(22) CONFLICTS OF INTEREST.—Subsection (c) of section 326 of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437f note).

(23) CONVERSION OF PUBLIC HOUSING.—Section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note) (enacted as section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–279)).

(b) SAVINGS PROVISION.—Except to the extent otherwise provided in this division—

(1) the repeals made by subsection (a) shall not affect any legally binding obligations entered into before the effective date of this division; and

(2) any funds or activities subject to a provision of law repealed by subsection (a) shall continue to be governed by the provision as in effect immediately before such repeal.

Subtitle B—Other Provisions Relating to Public Housing and Rental Assistance Programs

SEC. 1621. ALLOCATION OF ELDERLY HOUSING AMOUNTS.

Section 202(l) of the Housing Act of 1959 (12 U.S.C. 1701q(l)) is amended by adding at the end the following new paragraph:

''(4) CONSIDERATION IN ALLOCATING ASSISTANCE.—Assistance under this section shall be allocated in a manner that ensures that the awards of the assistance are made for projects of sufficient size to accommodate facilities for supportive services appropriate to the needs of frail elderly residents.''.

SEC. 1622. PET OWNERSHIP.

Section 227 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r–1) is amended to read as follows:

''SEC. 227. PET OWNERSHIP IN FEDERALLY ASSISTED RENTAL HOUSING.

''(a) RIGHT OF OWNERSHIP.—A resident of a dwelling unit in federally assisted rental housing may own common household pets or have common household pets present in the dwelling unit of such resident, subject to the reasonable requirements of the owner of the federally assisted rental housing and providing that the resident maintains the animals responsibly and in compliance with applicable local and State public health, animal control, and anticruelty laws. Such reasonable requirements may include requiring payment of a nominal fee and pet deposit by residents owning or having pets present, to cover the operating costs to the project relating to the presence of pets and to establish an escrow account for additional such costs not otherwise covered, respectively. Notwithstanding section 1225(d) of the Housing Opportunity and Responsibility Act of 1997, a public housing agency may not grant any exemption under such section from payment, in whole or in part, of any fee or deposit required pursuant to the preceding sentence.

''(b) PROHIBITION AGAINST DISCRIMINATION.—No owner of federally assisted rental housing may restrict or discriminate against any person in connection with admission to, or continued occupancy of, such housing by reason of the ownership of common household pets by, or the presence of such pets in the dwelling unit of, such person.

''(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) FEDERALLY ASSISTED RENTAL HOUSING.—The term 'federally assisted rental housing' means any multifamily rental housing project that is—

''(A) public housing (as such term is defined in section 1103 of the Housing Opportunity and Responsibility Act of 1997);

''(B) assisted with project-based assistance pursuant to section 1601(f) of the Housing Opportunity and Responsibility Act of 1997 or under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of the Housing Opportunity and Responsibility Act of 1997);

''(C) assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

''(D) assisted under section 202 of the Housing Act of 1959 (as in effect before the enactment of the Cranston-Gonzalez National Affordable Housing Act);

''(E) assisted under title V of the Housing Act of 1949; or

''(F) insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act.

''(2) OWNER.—The term 'owner' means, with respect to federally assisted rental housing, the entity or private person, including a cooperative or public housing agency, that has the legal right to lease or sublease dwelling units in such housing (including a manager of such housing having such right).

''(d) REGULATIONS.—This section shall take effect upon the date of the effectiveness of regulations issued by the Secretary to carry out this section. Such regulations shall be issued not later than the expiration of the 1-year period beginning on the date of the enactment of the Housing Opportunity and Responsibility Act of 1997 and after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).''.

SEC. 1623. REVIEW OF DRUG ELIMINATION PROGRAM CONTRACTS.

(a) REQUIREMENT.—The Secretary of Housing and Urban Development shall investigate all security 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—

(1) to determine whether the contractors under such contracts have complied with all laws and regulations regarding prohibition of discrimination in hiring practices;

(2) to determine whether such contracts were awarded in accordance with the applicable laws and regulations regarding the award of such contracts;

(3) to determine how many such contracts were awarded under emergency contracting procedures;

(4) to evaluate the effectiveness of the contracts; and

(5) to provide a full accounting of all expenses under the contracts.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the investigation required under subsection (a) and submit a report to the Congress regarding the findings under the investigation. With respect to each such contract, the report shall (1) 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 (2) for each contract that the

Secretary determines is in such compliance issue a personal certification of such compliance by the Secretary of Housing and Urban Development.

(c) ACTIONS.—For each contract that is described in the report under subsection (b) as not made or not operating in full compliance with applicable laws and regulations, the Secretary of Housing and Urban Development shall promptly take any actions available under law or regulation that are necessary—

(1) to bring such contract into compliance; or

(2) to terminate the contract.

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 1624. AMENDMENTS TO PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT OF 1990.

(a) SHORT TITLE, PURPOSES, AND AUTHORITY TO MAKE GRANTS.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.) is amended by striking the chapter heading and all that follows through section 5123 and inserting the following:

''CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME

''SEC. 5121. SHORT TITLE.

''This chapter may be cited as the 'Community Partnerships Against Crime Act of 1997'.

''SEC. 5122. PURPOSES.

''The purposes of this chapter are to—

''(1) improve the quality of life for the vast majority of law-abiding public housing residents by reducing the levels of fear, violence, and crime in their communities;

''(2) broaden the scope of the Public and Assisted Housing Drug Elimination Act of 1990 to apply to all types of crime, and not simply crime that is drug-related; and

''(3) reduce crime and disorder in and around public housing through the expansion of community-oriented policing activities and problem solving.

''SEC. 5123. AUTHORITY TO MAKE GRANTS.

''The Secretary of Housing and Urban Development may make grants in accordance with the provisions of this chapter for use in eliminating crime in and around public housing and other federally assisted low-income housing projects to (1) public housing agencies, and (2) private, for-profit and nonprofit owners of federally assisted low-income housing.''.

(b) ELIGIBLE ACTIVITIES.—

(1) 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'' after ''used in'';

(B) in paragraph (3), by inserting before the semicolon the following: '', 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 ''in and around public or other federally assisted low-income housing projects''; and

(ii) by striking ''and'' after the semicolon; and

(E) by striking paragraph (7) and inserting the following new paragraphs:

''(7) providing funding to nonprofit public housing resident management corporations and resident councils to develop security and crime prevention programs involving site residents;

''(8) the employment or utilization of one or more individuals, including law enforcement officers, made available by contract or other cooperative arrangement with State or local law enforcement agencies, to engage in community- and problem-oriented policing involving interaction with members of the community in proactive crime control and prevention activities;

''(9) programs and activities for or involving youth, including training, education, recreation and sports, career planning, and entrepreneurship and employment activities and after school and cultural programs; and

''(10) service programs for residents that address the contributing factors of crime, including programs for job training, education, drug and alcohol treatment, and other appropriate social services.''.

(2) OTHER PHA-OWNED HOUSING.—Section 5124(b) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903(b)) is amended—

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

(i) by striking ''drug-related crime in'' and inserting ''crime in and around''; and

(ii) by striking ''paragraphs (1) through (7)'' and inserting ''paragraphs (1) through (10)''; and

(B) in paragraph (2), by striking ''drug-related'' and inserting ''criminal''.

(c) GRANT PROCEDURES.—Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended to read as follows:

''SEC. 5125. GRANT PROCEDURES.

''(a) PHA'S WITH 250 OR MORE UNITS.—

''(1) GRANTS.—In each fiscal year, the Secretary shall make a grant under this chapter from any amounts available under section 5131(b)(1) for the fiscal year to each of the following public housing agencies:

''(A) NEW APPLICANTS.—Each public housing agency 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 public housing agency 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 Federal fiscal year;

''(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

''(iii) the Secretary has determined, pursuant to a performance review under paragraph (4), that during the preceding fiscal year the agency has substantially fulfilled the requirements under subparagraphs (A) and (B) of paragraph (4).

Notwithstanding subparagraphs (A) and (B), the Secretary may make a grant under this chapter to a public housing agency that owns or operates 250 or more public housing dwelling units only if the agency includes in the application for the grant information that demonstrates, to the satisfaction of the Secretary, that the agency has a need for the grant amounts based on generally recognized crime statistics showing that (I) the crime rate for the public housing developments of the agency (or the immediate neighborhoods in which such developments are located) is higher than the crime rate for the jurisdiction in which the agency operates, (II) the crime rate for the developments (or such neighborhoods) is increasing over a period of sufficient duration to indicate a general trend, or (III) the operation of the program under this chapter substantially contributes to the reduction of crime.

''(2) 5-YEAR CRIME DETERRENCE AND REDUCTION PLAN.—Each application for a grant under this subsection shall contain a 5-year crime deterrence and reduction plan. The plan shall be developed with the participation of residents and appropriate law enforcement officials. The plan shall describe, for the public housing agency submitting the plan—

''(A) the nature of the crime problem in public housing owned or operated by the public housing agency;

''(B) the building or buildings of the public housing agency affected by the crime problem;

''(C) the impact of the crime problem on residents of such building or buildings; and

''(D) the actions to be taken during the term of the plan to reduce and deter such crime, which shall include actions involving residents, law enforcement, and service providers.

The term of a plan shall be the period consisting of 5 consecutive fiscal years, which begins with the first fiscal year for which funding under this chapter is provided to carry out the plan.

''(3) AMOUNT.—In any fiscal year, the amount of the grant for a public housing agency receiving a grant pursuant to paragraph (1) shall be the amount that bears the same ratio to the total amount made available under section 5131(b)(1) as the total number of public dwelling units owned or operated by such agency bears to the total number of dwelling units owned or operated by all public housing agencies that own or operate 250 or more public housing dwelling units that are approved for such fiscal year.

''(4) PERFORMANCE REVIEW.—For each fiscal year, the Secretary shall conduct a performance review of the activities carried out by each public housing agency receiving a grant pursuant to this subsection to determine whether the agency—

''(A) has carried out such activities in a timely manner and in accordance with its 5-year crime deterrence and reduction plan; and

''(B) has a continuing capacity to carry out such plan in a timely manner.

''(5) SUBMISSION OF APPLICATIONS.—The Secretary shall establish such deadlines and requirements for submission of applications under this subsection.

''(6) REVIEW AND DETERMINATION.—The Secretary shall review each application submitted under this subsection upon submission and shall approve the application unless the application 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 plan is not substantially complete. Upon approving or determining not to approve an application and plan submitted under this subsection, the Secretary shall notify the public housing agency submitting the application and plan of such approval or disapproval.

''(7) DISAPPROVAL OF APPLICATIONS.—If the Secretary notifies an agency that the application and plan of the agency is not approved, not later than the expiration of the 15-day period beginning upon such notice of disapproval, the Secretary shall also notify the agency, in writing, of the reasons for the disapproval, the actions that the agency 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 agency of approval or disapproval of an application and plan submitted under this subsection before the expiration of the 60-day period beginning upon the submission of the plan or fails to provide notice under paragraph (7) within the 15-day period under such paragraph to an agency whose application has been disapproved, the application and plan shall be

considered to have been approved for purposes of this section.

''(b) PHA'S WITH FEWER THAN 250 UNITS AND OWNERS OF FEDERALLY ASSISTED LOW-INCOME HOUSING.—

''(1) APPLICATIONS AND PLANS.—To be eligible to receive a grant under this chapter, a public housing agency 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, 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 PHA'S WITH FEWER THAN 250 UNITS.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(2), make grants under this chapter to public housing agencies 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 FEDERALLY 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 subsection on the basis of—

''(A) the extent of the crime problem in and around the housing for which the application is made;

''(B) the quality of the plan to address the crime problem in the housing for which the application is made;

''(C) the capability of the applicant to carry out the plan; and

''(D) the extent to which the tenants of the housing, the local government, local community-based nonprofit organizations, local tenant organizations representing residents of neighboring projects that are owned or assisted by the Secretary, and the local community support and participate in the design and implementation of the activities proposed to be funded under the application.

In each fiscal year, the Secretary may give preference to applications under this subsection for housing made by applicants who received a grant for such housing for the preceding fiscal year under this subsection or under the provisions of this chapter as in effect immediately before the date of the enactment of the Housing Opportunity and Responsibility Act of 1997.

''(5) ADDITIONAL CRITERIA FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—In addition to the selection 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 reflect—

''(A) relevant differences between the financial resources and other characteristics of public housing agencies and owners of federally assisted low-income housing; or

''(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.''.

(d) DEFINITIONS.—Section 5126 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11905) is amended—

(1) by striking paragraphs (1) and (2);

(2) in paragraph (4)(A), by striking ''section'' before ''221(d)(4)'';

(3) by redesignating paragraphs (3) and (4) (as so amended) as paragraphs (1) and (2), respectively; and

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

''(3) PUBLIC HOUSING AGENCY.—The term 'public housing agency' has the meaning given the term in section 1103 of the Housing Opportunity and Responsibility Act of 1997.''.

(e) IMPLEMENTATION.—Section 5127 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11906) is amended by striking ''Cranston-Gonzalez National Affordable Housing Act'' and inserting ''Housing Opportunity and Responsibility Act of 1997''.

(f) REPORTS.—Section 5128 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11907) is amended—

(1) by striking ''drug-related crime in'' and inserting ''crime in and around''; and

(2) by striking ''described in section 5125(a)'' and inserting ''for the grantee submitted under subsection (a) or (b) of section 5125, as applicable''.

(g) FUNDING AND PROGRAM SUNSET.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 is amended by striking section 5130 (42 U.S.C. 11909) and inserting the following new section:

''SEC. 5130. FUNDING.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this chapter $290,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002.

''(b) ALLOCATION.—Of any amounts available, or that the Secretary is authorized to use, to carry out this chapter in any fiscal year—

''(1) 85 percent shall be available only for assistance pursuant to section 5125(a) to public housing agencies that own or operate 250 or more public housing dwelling units;

''(2) 10 percent shall be available only for assistance pursuant to section 5125(b)(2) to public housing agencies that own or operate fewer than 250 public housing dwelling units; and

''(3) 5 percent shall be available only for assistance to federally assisted low-income housing pursuant to section 5125(b)(3).

''(c) RETENTION OF PROCEEDS OF ASSET FORFEITURES BY INSPECTOR GENERAL.—Notwithstanding section 3302 of title 31, United States Code, or any other provision of law affecting the crediting of collections, the proceeds of forfeiture proceedings and funds transferred to the Office of Inspector General of the Department of Housing and Urban Development, as a participating agency, from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as an equitable share from the forfeiture of property in investigations in which the Office of Inspector General participates, shall be deposited to the credit of the Office of Inspector General for Operation Safe Home activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended.''.

(h) CONFORMING AMENDMENTS.—The table of contents in section 5001 of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 102 Stat. 4295) is amended—

(1) by striking the item relating to the heading for chapter 2 of subtitle C of title V and inserting the following:

''CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME'';

(2) by striking the item relating to section 5122 and inserting the following new item:

''Sec. 5122. Purposes.'';

(3) by striking the item relating to section 5125 and inserting the following new item:

''Sec. 5125. Grant procedures.'';

and

(4) by striking the item relating to section 5130 and inserting the following new item:

''Sec. 5130. Funding.''.

(i) TREATMENT OF NOFA.—The cap limiting assistance under the Notice of Funding Availability issued by the Department of Housing and Urban Development in the Federal Register of April 8, 1996, shall not apply to a public housing agency within an area designated as a high intensity drug trafficking area under section 1005(c) of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1504(c)).

(j) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle C—Limitations Relating to Occupancy in Federally Assisted Housing

SEC. 1641. SCREENING OF APPLICANTS.

(a) INELIGIBILITY BECAUSE OF EVICTION.—Any household or member of a household evicted from federally assisted housing (as such term is defined in section 1645) shall not be eligible for federally assisted housing—

(1) in the case of eviction by reason of drug-related criminal activity, for a period of not less than 3 years that begins on the date of such eviction, unless the evicted member of the household successfully completes a rehabilitation program; and

(2) in the case of an eviction for other serious violations of the terms or conditions of the lease, for a reasonable period of time, as determined by the public housing agency or owner of the federally assisted housing, as applicable.

The requirements of paragraphs (1) and (2) may be waived if the circumstances leading to eviction no longer exist.

(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL USERS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing, or both, as determined by the Secretary, shall establish standards that prohibit admission to the program or admission to federally assisted housing for any household with a member—

(A) who the public housing agency or owner determines is engaging in the illegal use of a controlled substance; or

(B) with respect to whom the public housing agency or owner determines that it has reasonable cause to believe that such household member's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, would interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1)(B), to deny admission to the program or to federally assisted housing to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, a public housing agency or an owner may consider whether such household member—

(A) has successfully completed an accredited drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(C) is participating in an accredited drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

(c) INELIGIBILITY OF SEXUALLY VIOLENT PREDATORS FOR ADMISSION TO PUBLIC HOUSING.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency shall prohibit admission to public housing for any household that includes any individual who is a sexually violent predator.

(2) SEXUALLY VIOLENT PREDATOR.—For purposes of this subsection, the term ''sexually violent predator'' means an individual who—

(A) is a sexually violent predator (as such term is defined in section 170101(a)(3) of such Act); and

(B) is subject to a registration requirement under section 170101(a)(1)(B) or 170102(c) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(a)(1)(B), 14072(c)), as provided under section 170101(b)(6)(B) or 170102(d)(2), respectively, of such Act.

(d) AUTHORITY TO DENY ADMISSION TO CRIMINAL OFFENDERS.—Except as provided in subsections (a), (b), and (c) and in addition to any other authority to screen applicants, in selecting among applicants for admission to the program or to federally assisted housing, if the public housing agency or owner of such housing (as applicable) determines that an applicant or any member of the applicant's household is or was, during a reasonable time preceding the date when the applicant household would otherwise be selected for admission, engaged in any criminal activity (including drug-related criminal activity), the public housing agency or owner may—

(1) deny such applicant admission to the program or to federally assisted housing;

(2) consider the applicant (for purposes of any waiting list) as not having applied for the program or such housing; and

(3) after the expiration of the reasonable period beginning upon such activity, require the applicant, as a condition of admission to the program or to federally assisted housing, to submit to the public housing agency or owner evidence sufficient (as the Secretary shall by regulation provide) to ensure that the individual or individuals in the applicant's household who engaged in criminal activity for which denial was made under paragraph (1) have not engaged in any criminal activity during such reasonable period.

(e) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—A public housing agency and an owner of federally assisted housing may require, as a condition of providing admission to the program or admission to or occupancy in federally assisted housing, that each adult member of the household provide a signed, written authorization for the public housing agency to obtain the records described in section 1644(a) regarding such member of the household from the National Crime Information Center, police departments, other law enforcement agencies, and State registration agencies referred to in such section. In the case of an owner of federally assisted housing that is not a public housing agency, the owner shall request the public housing agency having jurisdiction over the area within which the housing is located to obtain the records pursuant to section 1644.

(f) ADMISSION BASED ON DISABILITY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, for purposes of determining eligibility for admission to federally assisted housing, a person shall not be considered to have a disability or a handicap solely because of the prior or current illegal use of a controlled substance (as defined in section 102 of the Controlled Substances Act) or solely by reason of the prior or current use of alcohol.

(2) CONTINUED OCCUPANCY.—This subsection may not be construed to prohibit the continued occupancy of any person who is a resident in assisted housing on the effective date of this division.

SEC. 1642. TERMINATION OF TENANCY AND ASSISTANCE FOR ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.

Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing (as applicable), shall establish standards or lease provisions for continued assistance or occupancy in federally assisted housing that allow the agency or owner (as applicable) to terminate the tenancy or assistance for any household with a member—

(1) who the public housing agency or owner determines is engaging in the illegal use of a controlled substance; or

(2) whose illegal use of a controlled substance, or whose abuse of alcohol, is determined by the public housing agency or owner to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

SEC. 1643. LEASE REQUIREMENTS.

In addition to any other applicable lease requirements, each lease for a dwelling unit in federally assisted housing shall provide that—

(1) the owner may not terminate the tenancy except for violation of the terms or conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

(2) grounds for termination of tenancy shall include any criminal or other activity, engaged in by the tenant, any member of the tenant's household, any guest, or any other person under the control of the household, that—

(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenant or employees of the owner or other manager of the housing;

(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

(C) with respect only to activity engaged in by the tenant or any member of the tenant's household, is criminal activity on or off the premises.

SEC. 1644. AVAILABILITY OF CRIMINAL RECORDS FOR TENANT SCREENING AND EVICTION.

(a) IN GENERAL.—

(1) CRIMINAL CONVICTION INFORMATION.—Notwithstanding any other provision of law other than paragraphs (3) and (4), upon the request of a public housing agency, the National Crime Information Center, a police department, and any other law enforcement agency shall provide to the public housing agency information regarding the criminal conviction records of an adult applicant for, or tenants of, federally assisted housing for purposes of applicant screening, lease enforcement, and eviction, but only if the public housing agency requests such information and presents to such Center, department, or agency a written authorization, signed by such applicant, for the release of such information to the public housing agency or other owner of the federally assisted housing.

(2) INFORMATION REGARDING CRIMES AGAINST CHILDREN AND SEXUALLY VIOLENT PREDATORS.—Notwithstanding any other provision of law other than paragraphs (3) and (4), upon the request of a public housing agency, the Federal Bureau of Investigation, a State law enforcement agency designated as a registration agency under a State registration program under subtitle A of title XVII of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071), and any local law enforcement agency authorized by the State agency shall provide to a public housing agency the information collected under the national database established pursuant to section 170102 of such Act or such State registration program, as applicable, regarding an adult applicant for, or tenant of, federally assisted housing for purposes of applicant screening, lease enforcement, and eviction, but only if the public housing agency requests such information and presents to such State registration agency or other local law enforcement agency a written authorization, signed by such applicant, for the release of such information to the public housing agency or other owner of the federally assisted housing.

(3) DELAYED EFFECTIVE DATE FOR OWNERS OTHER THAN PHA'S.—The provisions of paragraphs (1) and (2) authorizing obtaining information for owners of federally assisted housing other than public housing agencies shall not take effect before—

(A) the expiration of the 1-year period beginning on the date of enactment of this Act; and

(B) the Secretary and the Attorney General of the United States have determined that access to such information is feasible for such owners and have provided for the terms of release of such information to owners.

(4) EXCEPTION.—The information provided under paragraphs (1), (2), and (3) shall include information regarding any criminal conviction of a juvenile only to the extent that the release of such information is authorized under the law of the applicable State, tribe, or locality.

(b) CONFIDENTIALITY.—A public housing agency or owner receiving information under this section may use such information only for the purposes provided in this section and such information may not be disclosed to any person who is not an officer, employee, or authorized representative of the agency or owner and who has a job-related need to have access to the information in connection with admission of applicants, eviction of tenants, or termination of assistance. For judicial eviction proceedings, disclosures may be made to the extent necessary. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided under this section to a public housing agency or owner is used, and confidentiality of such information is maintained, as required under this section.

(c) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with regard to assistance for federally assisted housing on the basis of a criminal record (including on the basis that an individual is a sexually violent predator, pursuant to section 1641(c)), the public housing agency or owner shall provide the tenant or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

(d) FEE.—A public housing agency may be charged a reasonable fee for information provided under subsection (a). A public housing agency may require an owner of federally assisted housing (that is not a public housing agency) to pay such fee for any information that the agency acquires for the owner pursuant to section 1641(e) and subsection (a) of this section.

(e) RECORDS MANAGEMENT.—Each public housing agency and owner of federally assisted housing that receives criminal record information pursuant to this section shall establish and implement a system of records management that ensures that any criminal record received by the agency or owner is—

(1) maintained confidentially;

(2) not misused or improperly disseminated; and

(3) destroyed in a timely fashion, once the purpose for which the record was requested has been accomplished.

(f) PENALTY.—Any person who knowingly and willfully requests or obtains any information concerning an applicant for, or tenant of, federally assisted housing pursuant to

the authority under this section under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term ''person'' as used in this subsection shall include an officer, employee, or authorized representative of any public housing agency or owner.

(g) CIVIL ACTION.—Any applicant for, or tenant of, federally assisted housing affected by (1) a negligent or knowing disclosure of information referred to in this section about such person by an officer, employee, or authorized representative of any public housing agency or owner of federally assisted housing, which disclosure is not authorized by this section, or (2) any other negligent or knowing action that is inconsistent with this section, may bring a civil action for damages and such other relief as may be appropriate against any public housing agency or owner responsible for such unauthorized action. The district court of the United States in the district in which the affected applicant or tenant resides, in which such unauthorized action occurred, or in which the officer, employee, or representative alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.

(h) DEFINITION.—For purposes of this section, the term ''adult'' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.

SEC. 1645. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) FEDERALLY ASSISTED HOUSING.—The term ''federally assisted housing'' means a dwelling unit—

(A) in public housing (as such term is defined in section 1102);

(B) assisted with choice-based housing assistance under title XIII;

(C) in housing that is provided project-based assistance under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 1601(b) of this Act) or pursuant to section 1601(f) of this Act, including new construction and substantial rehabilitation projects;

(D) in housing that is assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

(E) in housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzalez National Affordable Housing Act;

(F) in housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(G) in housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(H) in housing insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act;

(I) in housing assisted under section 515 of the Housing Act of 1949.

(2) OWNER.—The term ''owner'' means, with respect to federally assisted housing, the entity or private person (including a cooperative or public housing agency) that has the legal right to lease or sublease dwelling units in such housing.

TITLE XVII—AFFORDABLE HOUSING AND MISCELLANEOUS PROVISIONS

SEC. 1701. RURAL HOUSING ASSISTANCE.

The last sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended by inserting before the period the following: '', and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this title until the receipt of data from the decennial census in the year 2000''.

SEC. 1702. TREATMENT OF OCCUPANCY STANDARDS.

The Secretary of Housing and Urban Development shall not directly or indirectly establish a national occupancy standard.

SEC. 1703. IMPLEMENTATION OF PLAN.

(a) IMPLEMENTATION.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall implement the Ida Barbour Revitalization Plan of the City of Portsmouth, Virginia, in a manner consistent with existing limitations under law.

(2) WAIVERS.—In carrying out paragraph (1), the Secretary shall consider and make any waivers to existing regulations and other requirements consistent with the plan described in paragraph (1) to enable timely implementation of such plan, except that generally applicable regulations and other requirements governing the award of funding under programs for which assistance is applied for in connection with such plan shall apply.

(b) REPORT.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act and annually thereafter through the year 2000, the city described in subsection (a)(1) shall submit a report to the Secretary on progress in implementing the plan described in that subsection.

(2) CONTENTS.—Each report submitted under this subsection shall include—

(A) quantifiable measures revealing the increase in homeowners, employment, tax base, voucher allocation, leverage ratio of funds, impact on and compliance with the consolidated plan of the city;

(B) identification of regulatory and statutory obstacles that—

(i) have caused or are causing unnecessary delays in the successful implementation of the consolidated plan; or

(ii) are contributing to unnecessary costs associated with the revitalization; and

(C) any other information that the Secretary considers to be appropriate.

SEC. 1704. INCOME ELIGIBILITY FOR HOME AND CDBG PROGRAMS.

(a) HOME INVESTMENT PARTNERSHIPS.—The Cranston-Gonzalez National Affordable Housing Act is amended as follows:

(1) DEFINITIONS.—In section 104(10) (42 U.S.C. 12704(10))—

(A) by striking ''income ceilings higher or lower'' and inserting ''an income ceiling higher'';

(B) by striking ''variations are'' and inserting ''variation is''; and

(C) by striking ''high or''.

(2) INCOME TARGETING.—In section 214(1)(A) (42 U.S.C. 12744(1)(A))—

(A) by striking ''income ceilings higher or lower'' and inserting ''an income ceiling higher'';

(B) by striking ''variations are'' and inserting ''variation is''; and

(C) by striking ''high or''.

(3) RENT LIMITS.—In section 215(a)(1)(A) (42 U.S.C. 12745(a)(1)(A))—

(A) by striking ''income ceilings higher or lower'' and inserting ''an income ceiling higher'';

(B) by striking ''variations are'' and inserting ''variation is''; and

(C) by striking ''high or''.

(b) CDBG.—Section 102(a)(20) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(20)) is amended by striking subparagraph (B) and inserting the following new subparagraph:

''(B) The Secretary may—

''(i) with respect to any reference in subparagraph (A) to 50 percent of the median income of the area involved, establish percentages of median income for any area that are higher or lower than 50 percent if the Secretary finds such variations to be necessary because of unusually high or low family incomes in such area; and

''(ii) with respect to any reference in subparagraph (A) to 80 percent of the median income of the area involved, establish a percentage of median income for any area that is higher than 80 percent if the Secretary finds such variation to be necessary because of unusually low family incomes in such area.''.

SEC. 1705. PROHIBITION OF USE OF CDBG GRANTS FOR EMPLOYMENT RELOCATION ACTIVITIES.

Section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) is amended by adding at the end the following new subsection:

''(h) PROHIBITION OF USE OF ASSISTANCE FOR EMPLOYMENT RELOCATION ACTIVITIES.—Notwithstanding any other provision of law, no amount from a grant under section 106 made in fiscal year 1997 or any succeeding fiscal year may be used for any activity (including any infrastructure improvement) that is intended, or is likely, to facilitate the relocation or expansion of any industrial or commercial plant, facility, or operation, from one area to another area, if the relocation or expansion will result in a loss of employment in the area from which the relocation or expansion occurs.''.

SEC. 1706. REGIONAL COOPERATION UNDER CDBG ECONOMIC DEVELOPMENT INITIATIVE.

Section 108(q)(4) (42 U.S.C. 5308(q)(4)) of the Housing and Community Development Act of 1974 is amended—

(1) by striking ''and'' after the semicolon in subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following:

''(D) when applicable as determined by the Secretary, the extent of regional cooperation demonstrated by the proposed plan; and''.

SEC. 1707. 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 division 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 division, 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.

SEC. 1708. 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 XIII of this Act or the United States Housing Act of 1937, as in effect before the effective date of the repeal under section 1601(b) of this Act) that involves the Secretary and any public housing agency or any unit of general local government, the Secretary shall consult with any units of general local

government and public housing agencies having jurisdictions that are adjacent to the jurisdiction of the public housing agency involved.

SEC. 1709. TREATMENT OF PHA REPAYMENT AGREEMENT.

(a) LIMITATION ON SECRETARY.—During the 2-year period beginning on the date of the enactment of this Act, if the Housing Authority of the City of Las Vegas, Nevada, is otherwise in compliance with the Repayment Lien Agreement and Repayment Plan approved by the Secretary on February 12, 1997, the Secretary of Housing and Urban Development shall not take any action that has the effect of reducing the inventory of senior citizen housing owned by such housing authority that does not receive assistance from the Department of Housing and Urban Development.

(b) ALTERNATIVE REPAYMENT OPTIONS.—During the period referred to in subsection (a), the Secretary shall assist the housing authority referred to in such subsection to identify alternative repayment options to the plan referred to in such subsection and to execute an amended repayment plan that will not adversely affect the housing referred to in such subsection.

(c) RULE OF CONSTRUCTION.—This section may not be construed to alter—

(1) any lien held by the Secretary pursuant to the agreement referred to in subsection (a); or

(2) the obligation of the housing authority referred to in subsection (a) to close all remaining items contained in the Inspector General audits numbered 89 SF 1004 (issued January 20, 1989), 93 SF 1801 (issued October 30, 1993), and 96 SF 1002 (issued February 23, 1996).

SEC. 1710. USE OF ASSISTED HOUSING BY ALIENS.

Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) in subsection (b)(2), by striking ''Secretary of Housing and Urban Development'' and inserting ''applicable Secretary'';

(2) in subsection (c)(1)(B), by moving clauses (ii) and (iii) 2 ems to the left;

(3) in subsection (d)—

(A) in paragraph (1)(A)—

(i) by striking ''Secretary of Housing and Urban Development'' and inserting ''applicable Secretary''; and

(ii) by striking ''the Secretary'' and inserting ''the applicable Secretary'';

(B) in paragraph (2), in the matter following subparagraph (B)—

(i) by inserting ''applicable'' before ''Secretary''; and

(ii) by moving such matter (as so amended by clause (i)) 2 ems to the right;

(C) in paragraph (4)(B)(ii), by inserting ''applicable'' before ''Secretary'';

(D) in paragraph (5), by striking ''the Secretary'' and inserting ''the applicable Secretary''; and

(E) in paragraph (6), by inserting ''applicable'' before ''Secretary'';

(4) in subsection (h) (as added by section 576 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208))—

(A) in paragraph (1)—

(i) by striking ''Except in the case of an election under paragraph (2)(A), no'' and inserting ''No'';

(ii) by striking ''this section'' and inserting ''subsection (d)''; and

(iii) by inserting ''applicable'' before ''Secretary''; and

(B) in paragraph (2)—

(i) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) may, notwithstanding paragraph (1) of this subsection, elect not to affirmatively establish and verify eligibility before providing financial assistance''; and

(ii) in subparagraph (B), by striking ''in complying with this section'' and inserting ''in carrying out subsection (d)''; and

(5) by redesignating subsection (h) (as amended by paragraph (4)) as subsection (i).

SEC. 1711. PROTECTION OF SENIOR HOMEOWNERS UNDER REVERSE MORTGAGE PROGRAM.

(a) DISCLOSURE REQUIREMENTS; PROHIBITION OF FUNDING OF UNNECESSARY OR EXCESSIVE COSTS.—Section 255(d) of the National Housing Act (12 U.S.C. 1715z–20(d)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

''(C) has received full disclosure of all costs to the mortgagor for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services; and'';

(2) in paragraph (9)(F), by striking ''and'';

(3) in paragraph (10), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(11) have been made with such restrictions as the Secretary determines to be appropriate to ensure that the mortgagor does not fund any unnecessary or excessive costs for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services; such restrictions shall include a requirement that the mortgagee ask the mortgagor about any fees that the mortgagor has incurred in connection with obtaining the mortgage and a requirement that the mortgagee be responsible for ensuring that the disclosures required by subsection (d)(2)(C) are made.''.

(b) IMPLEMENTATION.—

(1) NOTICE.—The Secretary of Housing and Urban Development shall, by interim notice, implement the amendments made by subsection (a) in an expeditious manner, as determined by the Secretary. Such notice shall not be effective after the date of the effectiveness of the final regulations issued under paragraph (2) of this subsection.

(2) REGULATIONS.—The Secretary shall, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, issue final regulations to implement the amendments made by subsection (a). Such regulations shall be issued only after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2) and (b)(B) of such section).

SEC. 1712. CONVERSION OF SECTION 8 TENANT-BASED ASSISTANCE TO PROJECT-BASED ASSISTANCE IN THE BOROUGH OF TAMAQUA.

For the Tamaqua Highrise project in the Borough of Tamaqua, Pennsylvania, the Secretary of Housing and Urban Development may require the public housing agency to convert the tenant-based assistance under section 8 of the United States Housing Act of 1937 to project-based rental assistance under section 8(d)(2) of such Act, notwithstanding the requirement for rehabilitation or the percentage limitations under section 8(d)(2). The tenant-based assistance covered by the preceding sentance shall be the assistance for families who are residing in the project on the date of enactment of this Act and who initially received their assistance in connection with the conversion of the section 23 leased housing contract for the project to tenant-based assistance under section 8 of such Act. The Secretary may not take action under this section before the expiration of the 30-day period beginning upon the submission of a report to the Congress regarding the proposed action under this section.

SEC. 1713. HOUSING COUNSELING.

(a) EXTENSION OF EMERGENCY HOMEOWNERSHIP COUNSELING.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking ''September 30, 1994'' and inserting ''September 30, 1999''.

(b) EXTENSION OF PREPURCHASE AND FORECLOSURE PREVENTION COUNSELING DEMONSTRATION.—Section 106(d)(13) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(d)(12)) is amended by striking ''fiscal year 1994'' and inserting ''fiscal year 1999''.

(c) NOTIFICATION OF DELINQUENCY ON VETERANS HOME LOANS.—

Subparagraph (C) of section 106(c)(5) of the Housing and Urban Development Act of 1968 is amended to read as follows:

''(C) NOTIFICATION.—Notification under subparagraph (A) shall not be required with respect to any loan for which the eligible homeowner pays the amount overdue before the expiration of the 45-day period under subparagraph (B)(ii).''.

SEC. 1714. TRANSFER OF SURPLUS REAL PROPERTY FOR PROVIDING HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES.

(a) IN GENERAL.—Notwithstanding any other provision of law (including the Federal Property and Administrative Services Act of 1949), the property known as 252 Seventh Avenue in New York County, New York is authorized to be conveyed in its existing condition under a public benefit discount to a nonprofit organization that has among its purposes providing housing for low-income individuals or families provided, that such property is determined by the Administrator of General Services to be surplus to the needs of the Government and provided it is determined by the Secretary of Housing and Urban Development that such property will be used by such non-profit organization to provide housing for low- and moderate-income families or individuals.

(b)(1) PUBLIC BENEFIT DISCOUNT.—The amount of the public benefit discount available under this section shall be 75 percent of the estimated fair market value of the property, except that the Secretary may discount by a greater percentage if the Secretary, in consultation with the Administrator, determines that a higher percentage is justified due to any benefit which will accrue to the United States from the use of such property for the public purpose of providing low- and moderate-income housing.

(2) REVERTER.—The Administrator shall require that the property be used for at least 30 years for the public purpose for which it was originally conveyed, or such longer period of time as the Administrator feels necessary, to protect the Federal interest and to promote the public purpose. If this condition is not met, the property shall revert to the United States.

(3) DETERMINATION OF FAIR MARKET VALUE.—The Administrator shall determine estimated fair market value in accordance with Federal appraisal standards and procedures.

(4) DEPOSIT OF PROCEEDS.—The Administrator of General Services shall deposit any proceeds received under this subsection in the special account established pursuant to section 204(h)(2) of the Federal Property and Administrative Services Act of 1949.

(5) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Administrator considers appropriate to protect the interests of the United States and to accomplish a public purpose.

SEC. 1715. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on the date of the enactment of this Act.

Page 90, line 18 strike '', and $70,000,000 is appropriated to the National Science Foundation, 'Research and related activities'.'' and insert ''.''

Page 61, line 13, strike the colon and all that follows through ''expenses'' on line 20.

The CHAIRMAN. Pursuant to House Resolution 501, the gentleman from New York (Mr. LAZIO) and a Member opposed each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. LAZIO).

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

Mr. Chairman, I rise for purposes of offering an amendment to the VA, HUD and Independent Agencies appropriations bill. This amendment would add H.R. 2, the Housing Opportunity and Responsibility Act, which was passed by this Congress last year on May 14, 1997, by a vote of 293 to 132 to the bill, with one minor modification to address any possible scoring concerns.

Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking and Financial Services, who I have enormous respect for and who is largely responsible for us having gotten to the point we are right now.

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

Mr. Chairman, let me stress at this point that I think, while awkward, this is particularly appropriate to add this bill to this bill. Let me thank the distinguished gentleman from New York, who has led the housing movement in the House so ably.

But in making this suggestion, let me make some clarification. The distinguished ranking member of the committee, the gentleman from New York, made some critical comments on process during prior debate on the rule, and, to some degree, as chairman of the committee, let me suggest that the gentleman is absolutely correct.

The regular order should have been a Committee on Banking and Financial Services conference. For various reasons, this proved difficult to institute. On the other hand, the present situation is not quite the procedural umbrage that is hinted at, in that the bill before us, unlike most authorizing parts of appropriations bills, has passed the House, in fact by a large margin, and a conference can be expected of authorizers in the context of an appropriations conference. What we are thus simply doing is attaching legislation that has previously been agreed to by the House to facilitate movement on that critical subject.

In this regard, public housing reform is clearly an important national interest and national objective. Both those of liberal and conservative perspectives have concluded that there are serious problems in our present system that demand resolution. This is precisely what the Committee on Banking and Financial Services has done in a straightforward way in a bill that exceeds, and let me stress, based on the statement of the last Member, exceeds the administration's request in funding levels for housing. Indeed, the bill substantially exceeds the administration's request for senior and disabled housing.

To the extent that politics is the art of the possible, the reason we are proceeding in this fashion is simply to use a vehicle that has the greatest chance of achieving consensus and support, both from the other body as well as, hopefully, from the administration.

Included in this bill is authorization on an appropriation pushed by the minority, an increase in FHA mortgage insurance limits as advocated by the administration. The Committee on Banking and Financial Services is willing, in the context of public housing reform, to consider this change, even though it represents a modest increase in the governmentalization of credit in the United States.

Finally, let me say that it has been represented to this Member that in the background there are the concerns of some that, if adopted, these reforms might be perceived as a success of this Congress, and, therefore, opposed because some would oppose any institutional successes.

I have spent the vast majority of my time in Congress in the minority. I never paid heed to those who wanted to subvert good policy for political reasons. I hope in the end the minority in this body and in the administration will make a judgment based on the national interests and not whether it will be perceived as something Congress can take credit for.

The fact is, good governance implies that, more often than not, administrations have initiatives that deserve serious consideration by the Congress and, if meritorious, accepted; likewise, that initiatives put forward by the Congress in a divided government deserve serious consideration by the Executive Branch, and, if meritorious, accepted.

Finally, let me stress again that if this amendment is adopted it would be the intention of the leadership to designate sub-conferees from the authorizing committee of jurisdictions from both sides of the aisle to resolve outstanding issues of public housing. I am optimistic and hopeful that such can be done in short order and that this Congress will do what is best for the American people and pass permanent public housing reform.

The CHAIRMAN. Does any Member seek control of the time in opposition?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Massachusetts (Mr. KENNEDY) is recognized for 20 minutes.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2½ minutes to my good friend, the gentleman from New York (Mr. LAFALCE), the ranking member of the Committee on Banking and Financial Services.

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

Mr. LAFALCE. Mr. Chairman, why are we here today? The House already passed H.R. 2. The Senate passed their public housing bill. We passed ours in May, they passed theirs in September, and yet neither body has appointed conferees.

There is no reason to attach this bill to an appropriations bill. Let us go to the table. Let us go to conference. Why are we not going to conference in the regular order? Why are there not conference committees?

Because the Members on the majority side are afraid that the minority on the House side will join forces with both the majority and minority on the Senate side and overwhelmingly approve a bill that is not to their personal, individual tastes. That is the reason and the only reason. So now they try to use legislative extortion, attach it to something they really need, attach it to the FHA, attach it to the appropriations process. That is what they are attempting to do here. Let nobody be fooled by it.

Let us now go to substance. I refer to a statement put out by the Department of Housing and Urban Development yesterday, and I will insert this, with a list of all those vulnerable people in America that will be adversely affected by this on a state-by-state basis.

According to HUD, this particular amendment would raise the income levels of people eligible for public housing. It would give greater priority to people making as much as $40,000 to be admitted to public housing, allowing them to gain housing before low income families. Since no new public housing is being built and existing waiting lists are years long, these lower income families will have no option whatsoever.

I have always believed we should have a preferential option for the poor. What this amendment does is eliminate any option. A total, according to HUD, of 3 million low income people would be denied access to public and federally assisted housing, including 1.8 million seniors and children.

I want to quote Secretary of Housing Andrew Cuomo. He said,

The inclusion of this repugnant public housing bill in the HUD appropriations bill violates the good faith and cooperative efforts we have been working toward and is tantamount to legislative extortion.

That is why, if this amendment passes, there will be a veto of this bill.

Mr. Chairman, I include the following news release from the Department of Housing and Urban Development for the RECORD.

AMERICA'S MOST VULNERABLE LIST: 1.8 MILLION POOR SENIORS AND CHILDREN LOCKED OUT OF NATION'S HOUSING

WASHINGTON.—Today, the House is considering an amendment to legislation (H.R. 4194) that would raise the income levels of people eligible for public housing. This bill would give greater priority to people making as much as $40,000 to be admitted to public

housing, allowing them to gain housing before lower income families. Since no new public housing is being built and existing waiting lists are years long, these lower income families will have no option whatsoever. A total of 3 million low-income people would be denied access to public and federally-assisted housing, including 1.8 million seniors and children.

In response to this bill, Housing Secretary Andrew Cuomo said:

''It is inexcusable that we would take the few units of affordable housing this Congress has allowed to remain and remove it from the grasp of the most vulnerable Americans. This means no housing for America's most vulnerable. In an apparent effort to ''mix income'' in public housing the House bill would make 1.8 million seniors and children virtually homeless. For them, the House bill would be the equivalent of a housing death sentence: no housing for life.

''The Administration's position is an intelligent balance which would allow mixed income in public housing and provide for the most vulnerable with Section 8 vouchers for every lower-income family displaced from the waiting list.

''The inclusion of this repugnant public housing bill in the HUD appropriations bill violates the good faith and cooperative efforts we have been working towards and is tantamount to legislative extortion.''

AMERICA'S MOST VULNERABLE [1] LIST

	Total households	Elderly individuals	Children
Alaska	2,000	1,000	2,000
Alabama	28,000	11,000	27,000
Arkansas	17,000	7,000	15,000
Arizona	11,000	5,000	11,000
California	135,000	65,000	113,000
Colorado	17,000	7,000	14,000
Connecticut	26,000	13,000	20,000
District of Columbia	10,000	4,000	4,000
Delaware	4,000	1,000	3,000
Florida	58,000	29,000	51,000
Georgia	41,000	15,000	40,000
Hawaii	7,000	3,000	6,000
Iowa	13,000	7,000	9,000
Idaho	4,000	1,000	3,000
Illinois	67,000	35,000	51,000
Indiana	31,000	14,000	26,000
Kansas	11,000	6,000	7,000
Kentucky	26,000	10,000	22,000
Louisiana	28,000	9,000	29,000
Massachusetts	53,000	29,000	36,000
Maryland	31,000	14,000	26,000
Maine	8,000	2,000	5,000
Michigan	45,000	24,000	31,000
Minnesota	29,000	17,000	18,000
Missouri	31,000	14,000	26,000
Mississippi	16,000	6,000	17,000
Montana	4,000	2,000	3,000
North Carolina	39,000	14,000	37,000
North Dakota	4,000	2,000	3,000
Nebraska	9,000	5,000	7,000
New Hampshire	6,000	4,000	3,000
New Jersey	50,000	32,000	33,000
New Mexico	8,000	2,000	8,000
Nevada	5,000	2,000	5,000
New York	164,000	83,000	99,000
Ohio	68,000	29,000	56,000
Oklahoma	17,000	6,000	16,000
Oregon	14,000	6,000	11,000
Pennsylvania	68,000	38,000	49,000
Rhode Island	11,000	8,000	6,000
South Carolina	19,000	6,000	20,000
South Dakota	4,000	2,000	3,000
Tennessee	34,000	14,000	29,000
Texas	79,000	28,000	84,000
Utah	5,000	2,000	4,000
Virginia	32,000	12,000	30,000
Vermont	3,000	2,000	2,000
Washington	21,000	10,000	15,000
Wisconsin	24,000	15,000	15,000
West Virginia	11,000	4,000	9,000
Wyoming	2,000	1,000	1,000
Total	1,450,000	679,000	1,160,000

[1] Extremely low income Households who could be skipped under H.R. 2

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. STOKES), the ranking member of the subcommittee.

Mr. STOKES. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to this amendment.

First, I do not understand what legitimate purpose can possibly be served by adding this measure to the VA-HUD appropriations bill. The same bill has already been passed by the House and a companion bill has been passed by the Senate. Obviously, what needs to happen next is serious, good-faith negotiations leading to a conference report that will pass the House and Senate and be signed into law by the President.

Bringing this bill up for a vote again in the House does nothing to further this process. Absent serious negotiations and compromises, this measure is not going to become law, no matter how many times it is passed by the House.

□ 1200

Both the House and Senate passed their versions of the bill over a year ago, yet conferees have not even been appointed. I think the Banking Committee majority would do far better to get a real conference process underway, rather than offering this amendment.

I want to leave the details of this detail and the substance of this proposal to my colleagues on the authorizing committee since our appropriations subcommittee has never held any hearings on this legislation. However, let me mention the most serious concern I had about this version of the housing authorization bill when it passed the House last year, a concern which has only grown stronger over time. In short, the measure goes much too far in allowing scarce housing funds to be diverted away from people who are most in need of assistance.

For example, the Lazio bill requires only 35 percent of newly vacant housing units to go to families with incomes below 30 percent of area medium income, a level as roughly equal to the poverty line in many areas and a level earned by many families that are working at minimum wages. I understand these targeting rules could divert up to 270,000 Federal housing subsidies per year away from poor families. With so many unmet needs for housing, we need to ensure that a substantial part of our scarce housing assistance dollars go to those with the greatest need, and I urge defeat of this amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we have largely stated our case earlier in debate on the rule which passed. This is a bill that has been fully vetted over 3 years. This is a bill that has twice seen consideration, not just in committee, but on the floor of the House.

Just last May, as I mentioned earlier, this bill passed with over 293 Members of the House voting in favor of it, including one-third of the Democratic conference. Mr. Chairman, 71 Democrats supported making these essential changes to a failed public housing system.

I do not understand, Mr. Chairman, for many folks that did not create this system of failure, why they feel the need to defend it. Who can be against individual choice, empowerment, more local control? But to urge defeat of this amendment is to do just that.

This is a bill that stands for the individual, stands for individual choice, allows individuals who receive rental vouchers to achieve homeownership, which we say is the American dream. Let us stand for it. Let us not be hypocritical. We say we are for local control; we say the communities and neighborhoods should be able to control their own destiny. Let us do it. This bill does it.

We say we are for safer streets, for healthier housing, for better education. Let us give poor people the tools to achieve those things by giving them vouchers, by allowing them to achieve homeownership, by allowing them to build up equity in a home, by permitting them to start businesses.

On the other side we have an argument for the defense of the status quo, for the defense of a system that concentrates poverty, that drives out the working poor, that undermines schools, that drives out the businesses that keep working folks in areas.

Under the system that is supported by the administration and by the Kennedy amendment, for example, in terms of vouchers, in the overwhelming majority of areas throughout the country, over 80 percent of the areas, and I will get into this later, for a mother and father who both have work and have minimum wage jobs, they have no chance of getting a voucher. Now, what is the statement that we provide here? What statement are we making?

We are saying that if one works, one loses. If one gets married, one loses. If one takes the chance of taking an entry-level position and moving into the culture of work and socializing in that direction, one loses; one will not get access to a rental voucher. But if one does not work, one will get the help.

We are saying with this bill, give communities more control. We are not saying how many poor people they can have. They can have, if a community desires, this bill allows absolute flexibility for local communities to target all of its resources on the very poor. But we are also saying, do not shut out folks who are trying to move up the economic ladder. Do not shut out folks who are getting an entry-level position. Do not tell folks they have to get a divorce to qualify for a voucher. Do not tell folks that if they get a rental unit through HUD, that because of the so-called Brooke amendment, that the minute that they work overtime or get married, or get a better job, or go to work, that their rent goes up by another 30 percent. That is the disincentive that we have built into the system that punishes work and punishes families.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, there are some pretty good aspects of being an United States Congressman, one of which is that every once in a while one gets to bring an amendment on the House floor, and one actually gets to win it. I want to congratulate the chairman of the housing committee, Mr. LAZIO, on the fact that he has won this amendment, and he won it pretty big. That is terrific.

But one would think at some point one would want to be able to go beyond winning an amendment to actually being able to enact law, and one would think that at some point, the pride that one would have in being the chairman of a committee would drive one towards trying to find a way to actually see what one has tried to accomplish become law.

This is not an attempt to create law; this is an attempt to have a press conference. That is all this is about. This is not going before the House and Senate and calling for a conference to create compromise with the administration about new direction for housing policy. We have not had a new housing bill in this Congress since 1992, because people are not willing to compromise.

Now, there is a very simple, easy process. What happens is, the House passes a bill, the Senate passes a bill, and we go to conference. The House passed a bill 9 months ago. The Senate passed a bill 10 months ago. We have yet to go to conference, because the Republicans have been fighting amongst themselves.

Finally, 2 or 3 weeks ago my staff gets a call and says, we would like you to come and discuss the housing bill. We go to the discussion, not a conference, to the discussion. We begin good faith negotiations. Secretary Cuomo from HUD participates in these negotiations. And yet, lo and behold, yesterday morning I get a call from the Committee on Rules saying that, oh, no, we are not going to go with the compromise that we are all trying to work out in these back-room negotiations, not a conference, but we are going to go back to the original House bill, which we are going to attach without any hearings in the appropriations process, as the gentleman from Ohio, Mr. STOKES has pointed out, and we are going to attach the initial House-passed bill to the appropriations bill and try to jam it down the throat of the administration, try to jam it down the throat of the American people, in a way that is completely abusive to the basic fundamental process of how things work around here.

I cannot believe the chairman of the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations, the gentleman from California (Mr. LEWIS), would allow such a process to fully take place and to circumvent the basic fundamental rules of the road about how legislation gets passed, and I doubt very much that he will allow that to occur in the end.

I would hope that we will reach compromise. I do not think that it is right that we say to the poorest people, and yet, maybe a lot of this country is not eligible for these public housing programs. Do we know why? Because we do not put enough money into public housing programs.

So we are forced with decisions, decisions about whether or not to take care of the very, very poor, the people who are on the edge of homelessness, or whether or not to take care of people who earn $30,000 or $40,000 a year. I will tell my colleagues something. If one earns $30,000 or $40,000 a year, there are all sorts of banks, Fannie Mae and Freddie Mac that can get one into homeownership. If we are going to provide direct tax subsidies to the poor people of this country, let us at least try to target those subsidies to the people that need them the most. Is that such an outrageous proposal or outrageous moral thought that we are going to try to make sure that the poorest of the poor are served? That is the Democratic position.

So maybe somebody says, well, listen, I think a few more less-poor people ought to be served. That is a compromise. We are willing to work that out. That is not the worst idea in the world, but let us go to a conference and try to come up with a compromise. Let us not try to say, so, listen, we are totally, morally right, everybody else is wrong, and we are going to find a way to jam it down your throat. That is what this is.

Let us defeat this Leach amendment and stand up for the poor of this country.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. BOEHNER), the distinguished conference chairman.

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

Mr. BOEHNER. Mr. Chairman, 2 years ago, Congress delivered real welfare reform legislation for the first time in our Nation's history. Today those reforms are moving people from welfare to work in unprecedented numbers, reducing caseloads by 75 percent in some States. In my own county in Ohio, Butler County, we have reduced taxpayer costs for welfare 50 percent in 1 year alone. Today we are set to build on that success by taking the next step in welfare reform by passing legislation that transforms public housing from a way of life into a better life for low-income American families.

The amendment offered by the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAZIO) truly represents a new era in Federal housing policy. America's Federal housing framework has been essentially unchanged since 1937, when Washington adopted the United States Housing Act, the basis for all Federal housing programs.

The structure has remained relatively unchanged and in place for more than two generations. Unfortunately, it is not one of those things that gets better with age. It is time we acted responsibly to bring our Nation's housing laws into the 21st century.

The amendment before us would replace our Nation's Depression-era housing laws with a new structure that empowers people, not government. It expands homeownership opportunities and gives residents a say in planning and management decisions that affect their quality of life.

It reflects our strong belief that families deserve the opportunity to become homeowners and to make more decisions about where they live and, more importantly even, how they live.

Current Federal housing policy results in warehousing of poor people. Decades of well-intentioned but flawed Washington policies have built a cold Federal wall between working Americans and our lowest-income Americans. It is, frankly, a national outrage.

The measure that we have before us today helps put an end to this practice by providing broad flexibility. I urge my colleagues to vote in favor of this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to my good friend, the gentlewoman from California (Ms. WATERS).

(Ms. WATERS asked and was given permission to revise and extend her remarks.)

Ms. WATERS. Mr. Chairman, I must rise today and voice my very strong opposition to this amendment. It is outrageous that this authorizing bill would be considered as part of this appropriations bill.

Democrats and Republicans in both the House and the Senate have been working to come to agreement on public housing legislation. To use this last-minute maneuver to undercut this process is the worst form of lawmaking.

As a member of the Committee on Banking and Financial Services that considered this legislation, I know the significance of this bill for millions of low-income persons that live in public housing across this country. The amendment includes provisions that will undermine the basic mission of public housing, the provision of decent, safe and affordable housing for those who would not otherwise be able to secure it.

The income-targeting provision will mean that 709,000 poor families over the next 10 years will not have access to public housing and the Section 8 certificate program. In an effort to diversify the income mix of public housing, we cannot allow a wholesale abdication of our responsibility to the poor. Provisions that would turn over control of the Federal public housing dollars to local municipalities would jeopardize the welfare of poor families.

The requirement that residents of poor public housing work as a condition of residency is another of the punitive provisions of this legislation. Why do we feel that we can impose this requirement on poor people when we do

not impose the same kind of requirement on other beneficiaries of Federal support?

For these reasons, I urge a no vote on this amendment.

Let me just say, I am really surprised that my chairman, the gentleman from Iowa (Mr. LEACH), would support this. He has a reputation for being fair. He has a reputation for respecting the legislative process. This is legislating on an appropriation. I would ask my colleagues to vote against this amendment

The CHAIRMAN. The Chair would advise the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY) that each side has 9 minutes remaining.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Louisiana (Mr. BAKER), a member of the Committee on Banking and Financial Services.

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

□ 1215

Mr. BAKER. Mr. Chairman, this debate has been rather unclear, unfortunately. I think one must first look at the condition of public housing in this Nation today to understand what we are really about with this amendment.

Unfortunately, many of our public housing facilities are crime-ridden, filled with single moms with kids, without role models of dads going to work. What we know for a certainty is what we have is simply not working.

Should we come here and take taxpayer money and pour more and more and more into proven failure, or should we try perhaps to do something slightly different?

What Mr. LAZIO is proposing with this amendment is really very simple, to encourage people to go get a job and work, so if dad is working and mom wants to get the second job in the family or dad wants to take two jobs, not to tell mom or dad, if you go out and earn more, we are going to take more in rent. If mom goes to work, she has to have child care. She has to have transportation. She has to pay the increase in rent under the current rules. When she sits down and does the math, she has got to be crazy to go out and work 40 hours a week for a net of $25 or $50 dollar gain.

We are encouraging people not to try with the current system. The end result is not just taking away a person's ability to earn money. We are taking away their hope, their hope that life for their kids and their family can be better tomorrow if they simply try harder.

I do believe that if we give this one option a chance, we will be giving more than taxpayers a good return for their investment. We will be giving the working poor of this country an opportunity move up the ladder and not be warehoused like they have been for the past 40 years in deteriorating conditions with no opportunity to improve their lot in life.

This is serious legislation which desperately needs to be adopted.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself 10 seconds to respond to the gentleman from Louisiana to point out that, in the compromise we were working out, almost every provision that he just articulated had been accepted by the minority provision.

Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I rise in opposition to this. This is wrong on process.

The reason that we are taking this particular tack is that this bill cannot make it on its merits through the entire process. So what we are trying to do is, what is going on here is we have a must-pass funding bill, and we are trying to superimpose this particular policy change.

This is no small policy change. What this really represents to me is, it represents our Nation giving up on trying to help house the poor. That is what this really represents. We are dumping this back on the local governments. That is what is going on. We are giving up. That is what is going on here. That is why everyone is so concerned about it, because the local governments, when we talk about the problems with public housing, are where the problems are.

I come from the number one public housing authority in the Nation, St. Paul, Minnesota. We stole Minneapolis's director. Otherwise, they might have it. Public housing works in my area. Our housing is not without problems, but where we have problems, they usually occur in some of the private multifamily housing.

One of the big problems, we just have too big buildings in most instances. We did the wrong thing. We did not provide the resources. We are providing less and less. Is it any wonder that there is a problem? This is wrong in terms of, in other words, taking the low income people, we have more of them, as we know. We have got this great disparity going on in terms of the best times of our economy. Many people have a lot more income and a lot have a lot less income, even though both parents or single parent families are all working. It tries to put the veneer of welfare reform over this. They are part of welfare reform.

A part of welfare reform is to fund the vouchers amendment that the gentleman from Ohio (Mr. STOKES) and the gentleman from Massachusetts (Mr. KENNEDY) offered. That is welfare reform. We do not need a duplicate welfare system superimposed on the one that we passed. I voted for it. I wanted it to work. Let us fund it. Let us quit creating more promises.

All this is is a paper promise in term of welfare reform. That is what is wrong with this place. We get one good idea going, then we have to have three things similar and nothing gets funded.

Let us fund it. Let us vote up the Kennedy-Stokes amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. KELLY), a member of the Committee on Banking and Financial Services.

Mrs. KELLY. Mr. Chairman, I rise today to call on all of my colleagues from both sides of the aisle to join me in strong support for the Leach-Lazio amendment to add H.R. 2, the Housing Opportunity and Responsibility Act of 1997, to the VA-HUD appropriations bill.

I would like to thank the gentleman from New York (Mr. LAZIO) and all of the members of the House Committee on Banking and Financial Services for their hard work on H.R. 2, which we passed with a bipartisan vote last year. H.R. 2 is a piece of well-thought-out, comprehensive legislation that will make a real difference in public housing in America.

We have based this legislation on simple goals that will move our public housing programs in a strong new direction to empower the residents. The goals are, one, personal responsibility that extends to a mutual obligation between the provider and the recipient. One of the ways we accomplish this is through 8 hours a month work requirements for residents, exempting the elderly, the disabled, the employed, those who are in school or are receiving training, and those who are already involved in a welfare program.

Two, retention of protections for residents. One way this is accomplished is through the exclusion of income for the first few months of a new job and the income of minors from the determination of a resident's income level.

Another thing I would hope this bill would accomplish is improving thoughtful consideration of others for those who live in public housing. For instance, I have heard that some of the residents in one public housing building in my district butchered a cow in their bathtub. No one should have to live with neighbors who care so little for their other neighbors that they would do this, let alone the poor cow.

Number three, removal of disincentives to work and empowerment of the individual and family tenant through choices that I believe will lead them to economic independence. One of the ways we do this is by giving residents a choice between a flat rent or a percentage of their income.

I would like to emphasize that everyone has the same shared objective: clean, safe, affordable housing that empowers the have-nots in our society to become people who can realize their own American dream.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Chairman, I obviously object to the

process that is being followed, but there is something that is behind that process that I object to that I want to call our attention to.

We had a debate about it on this floor. This bill allows housing authorities to evict tenants for failure to perform community service. That is unprecedented. Think of it, we give veterans benefits. We give all kinds of benefits, even welfare benefits. We provide to people, we might require them to work but at least we pay them.

This is a provision that says, we are going to evict you from public housing unless you perform free community service, no guidelines for it, no question about whether you are an employee. What happens if you get hurt out there doing this stuff? Nothing about guidelines under this provision. We debated this ad infinitum. Here it comes back again on an appropriations bill. Put it on an appropriations bill, maybe we can sneak it through and it will be all right.

This is unprecedented. It should not be in an appropriations bill. There ought to be discussions about it back and forth between the committees of jurisdiction in the House and Senate, and we ought to refine it. We ought not just put a provision out there that has no guidelines about it. This is unforgivable. It is out of the process. We should not allow it to happen in this body. Processwise or contentwise, it is unforgivable. We should vote against this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 1 minute to the gentlewoman in from New York (Ms. VELÁZQUEZ), who probably has more public housing in her district than any other Member of Congress.

Ms. VELÁZQUEZ. Mr. Chairman, I rise in opposition to this amendment, and I just would like to say that the process in which this legislation has been brought to the floor is a sham and you should be ashamed of yourselves.

At a time when America's economy is the strongest in generations, it is disturbing that some in this Chamber continue the war on the poor. Yet, once again, we are being asked to vote on an attack on our national commitment to public housing and our neediest families.

America has the distinction of being one of the wealthiest countries in the world. Yet just last month HUD reported that more than 5 million poor families living in the worst housing are not being helped. Instead of helping these families become self-sufficient, the Lazio amendment pushes them deeper into poverty. I urge anyone with compassion to vote no. If we are going to reform public housing, it must be fair and reasonable. Safe, affordable housing must remain available to those in need.

We must provide real economic opportunities, not community service, so that public housing can help families become self-sufficient.

My colleagues, public housing has been a right, not just a privilege, for 60 years. Vote no on this legislation.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Delaware (Mr. CASTLE), former governor, member of the Committee on Banking and Financial Services, chairman of the Subcommittee on Domestic and International Monetary Policy.

Mr. CASTLE. Mr. Chairman, I do rise in support of this amendment and of this program in general. I have given a lot of thought to this. I would like to discuss sort of the indomitability of the human spirit. I will be the first to say, who knows who is right or wrong in this argument? It has been called the war on the poor. I look at it as an opportunity for the poor, and I do go back to the welfare reform legislation.

A lot of the same arguments were made when we discussed welfare reform, that this was going to be a disaster for the poor. It was going to be a failure. I am not here today to say it is an absolute success, but clearly the welfare rolls are down. More importantly is what I have seen personally. What I have seen personally in Delaware are people who have been afforded an opportunity that they never had before.

I have been to the classes, I have seen the individuals who are now working, who have a sense of taking care of themselves and their families, and it has worked extraordinarily well.

I have done the same thing in housing. I have been in Wilmington, Delaware, in our public housing, and I have been in Rehoboth Beach. We do have public housing there in Delaware, and I have seen what they have done there. Indeed, they have a community service program, exactly the same as we are talking about in this particular piece of legislation, and it has worked. People are helping each other.

I have seen in Dover, Delaware, the recognition that we have one of the best housing authorities in the country; and they have encouraged people to become involved with their community and do many of the things that we are talking about here.

I do not think it is a wholesale selling out of people in poverty. I think, indeed, it is affording them an opportunity to live in a better housing situation. Who can really defend the housing circumstance we have today which, by the way, goes back to 1937 in terms of what has happened, and not say that we need change?

We came together some time ago, about two-thirds of us voted for legislation to make housing better in America. Indeed, it has not gone forward the way I would like to see it go forward. We can question the process. We always seem to question the process. But the bottom line is, it seems to me that today is an opportunity to give this legislation, which I think is so well founded, an opportunity to move forward.

My judgment is, we should do this. I think it is in our best interest, and I encourage all Members to support it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. JACKSON).

(Mr. JACKSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Illinois. Mr. Chairman, I rise in opposition to this amendment.

The chairman argues that no one can be against local flexibility and control. The reason for the 1937 housing law was because local communities were not addressing the scope of the housing dilemma in this country.

H.R. 2 is a very unique bill. Franklin Delano Roosevelt, in 1937, looked at housing law and treated it as a human right. H.R. 2 treats housing as a privilege in exchange for community work.

□ 1230

The problem with this bill is it treats poor people differently than others. There is no mandate of community work for homeowners who have a mortgage tax deduction, who receive farm subsidies, food stamps, Social Security, Medicare, Medicaid, LIHEAP, corporate welfare, Fannie Mae, or loan guarantees. No, not since the Civil War have we imposed upon a group of Americans that in exchange for their Federal benefit they must volunteer without compensation.

What is the government doing making a law about volunteerism? The government of the United States is under no obligation to force its citizens, in exchange for their Federal benefits, to volunteer. Mandating volunteerism is an oxymoron, and we should vote against this bill because it is simply wrong.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 1 minute to the gentlewoman from Michigan (Ms. CAROLYN KILPATRICK), a new and very active member of the committee.

(Ms. KILPATRICK asked and was given permission to revise and extend her remarks.)

Ms. KILPATRICK. Mr. Chairman, I thank the ranking member for yielding to me, and I wish to say to him that we appreciate his leadership in the committee and we are going to miss him.

What will we do with regard to public housing in this country; shelter for the poorest? It is unfortunate that this Congress is taking a step backwards. Not a single line in this amendment will provide funding for new housing for the poorest of Americans. There is not a single line in this legislation that will provide for demolition of unsafe housing in this legislation. What it will do, though, is to put more than 3 million people, the poorest of Americans, into the streets and into homelessness.

Someone mentioned earlier, is it really working? Should we have a new program? Yes, we should have a new program. But what has happened with public housing is under the 12 years of

a Republican Presidency in this country there was a disinvestment in public housing. And over the last 10 years in this country over 600 tons of drugs have come into America and, at the same time, our people have not been employed.

Can we fix it? Yes, we can. Vote ''no'' on this amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Chairman, I thank the gentleman for yielding me this time.

There are some good public housing projects that work well and there are some bad public housing projects that work terrible. What is the difference under the present regime? It is good management. It is not the people that live there that cause the problems of crime or drugs or rundown buildings. It is 100 percent of the responsibility of the management.

If we have good management, we will have a good public housing project. If there is poor management, there will be rundown buildings, crime-ridden streets and people that live in despair and hopelessness. Accountability goes a long way, almost the whole way, in providing service, housing, safe housing, for people.

What is the mystery of human initiative? Responsibility and dignity. The amendment the gentleman from New York (Mr. LAZIO) offers us today provides a better opportunity and better quality housing than anything we have done up to this point. I urge my colleagues to vote for the amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Mrs. CARRIE MEEK).

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I am happy to say I was one of the Members of the House that voted against H.R. 2 when it came up last year. Now it is back again and it is time for us to give it a very timely demise this time.

There are many reasons why we should. Number one, it deletes the amount of assistance that can be given to public housing. Now, many of my colleagues do not really understand what public housing is all about, but I live in those communities, I serve those constituents, and when one job is offered in that community, 500 people line up for that one job hoping that they get that one job that will get them into housing. That does not happen. Most of them are poor.

The poor people need housing. They need it. They need help from the Federal Government. They do not need a block grant that comes down. They do not need local housing authorities that have been demeaned in such a way that we have taken away their power. So it weakens local government.

We do not need this amendment. We do not need it on this good VA–HUD bill, and I urge my colleagues to vote against H.R. 2.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Chairman, here we are again, same old wine, new bottle; same lemon, new twist; same target, new weapon; same poor people of America being attacked again, taking away opportunities for the very poor to their demise.

What people really want and need in public housing are jobs and the opportunity to work. If we give them jobs, they do not need to volunteer. Five thousand families in Chicago working; 108 new businesses; $52 million generated last year; 2,000 in a program. Give them jobs. They do not need to volunteer.

Same wrong premise, same conclusion, we need to teach people in public housing the value of work. Wrong premise, wrong conclusion. Let's further attack the poor. For some irrational and incoherent reason there seems to be serious preoccupation with fostering attacks upon the poor, the disadvantaged, the unemployed, the disavowed and the disconnected.

Those citizens who receive a form of public subsidy and live in public housing are continually being harassed. Sounds logical, sounds rational, sounds corrective; but in actuality it is discriminatory, oppressive and regressive. It is tantamount to slavery or at the very lease, involuntary servitude.

Let's look at what is being proposed, let's take a hard look at what we are being asked to do. Of all the subsidies which are given out in this country, farmers, developers, manufacturers, private colleges and universities, other institutionally based activities and corporations, ranches—big business programs, we are being asked to single out public housing recipients and say that you must, if you live in public housing, volunteer some services as recognition of the public largesse of which you have become the beneficiary. If this is the case, then those who receive the 150 billion dollars in corporate welfare should be providing some serious volunteer services. H.R. 2 demands public service from public housing residents. But let's also demand public services from those receiving corporate welfare. We've been down this road before, I voted against the Housing Opportunity and Responsibility Act then and I shall vote against it now. H.R. 2 targets an inadequate number of housing units for people with the least financial means and unfairly imposes duties on public housing residents that other Americans do not have to perform. I believe that we should not endeavor to create zones and pockets of poverty within our society and that public housing sites should consist of residents who have diverse and mixed income levels. However, we must not set our target income level quotas in a manner that does not sufficiently accommodate the needs of those who can least afford housing in the private market.

Moreover, in light of cuts in welfare benefits and social security payments to beneficiaries, it is imperative that the rent payments required of public housing residents be reduced in a manner that reflects this loss of income.

H.R. 2 requires that public housing residents, who are not on welfare or working must perform eight hours of community service. While I believe in community service, I do not believe that residents should be evicted, as this provision would permit, for failing to perform a job for which they are uncompensated, volunteerism simply cannot be compelled. Moreover, no other individuals or groups must volunteer because they receive a subsidy from the government. Current law targets 75–85% of housing units for those with income at 50% of median, while H.R. 2 targets only 35% of units for those at 30% of median income, with the remainder being allocable to those making no more than 80% of median income. This will push a lot of low-income families into homelessness.

In Chicago, there is a viable work program for residents of the Chicago housing authority.

1. Approximately 5000 families participate in the Resident Employment Program.

2. There are approximately 108 resident owned businesses.

3. Resident owned business grossed approximately $52 million in business last year.

4. Resident owned businesses employ approximately 2000 people and resident owned businesses include:

1. Custodial Services
2. Landscaping Services
3. Childcare Services
4. Laundry Services
5. Extermination Services

People in public housing need and want jobs. When we provide the opportunities, they will do the work.

Mr. LAZIO of New York. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, in my capacity as chairman of the Subcommittee on Human Resources of the Committee on Government Reform and Oversight I oversee HUD, and I believe strongly in what the Lazio amendment does. It removes us from a caretaking society to a caring society where we give people back control of their lives.

Welfare reform must work. It is going to work if we provide better job training, better child care, transportation to work, and better housing. This bill will give us better housing because it will give people control of their own housing conditions.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, once again, let us just get back to the basics about what this bill is about and what it is not about. This bill is not about the substance of what is contained in H.R. 2. This bill is about the fact that there was a compromise situation between the House, the Senate, and the administration that was on the table and being negotiated. Rather than allowing that process to take place, there was a jump that was taken, a jump by the chairman of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services, who jumped into the Committee on Rules and created a situation which forced the chairman of the Committee on Appropriations to accept

this bill, which he does not like, he does not support; which I do not like, I do not support; and which the gentleman from Ohio (Mr. STOKES) does not like and does not support.

There are provisions that are good in this bill, make no mistake about it. But there are provisions that are bad. It needs compromise. If we are not going to turn our back on the poorest of the poor, then we have got to find a way of creating a ramp which does not turn our back and create homelessness. This bill will create homelessness. It is not just about opportunity, it is about the abusive process that the chairman of the committee brought upon us. We should vote against the Lazio amendment.

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

Mr. Chairman, let us get the job done. All we have heard are arguments about process and rules. Let us get the job done. That argument about process does not help one person save themselves. It does not help one family. It does not help one community.

We have debated this bill for 3 years. We have twice passed this on the floor of the House, the last time with 71 independent-minded, reform-minded Democrats voting for this. This is the exact same bill that has come before the House earlier.

This is the bill that prizes individual choice over Washington mandates. It values local community control over more Washington mandates. It celebrates individual empowerment by rewarding work and not punishing families. It helps to build local leadership by building capacity through control over communities and control over individuals. It rewards work by removing the system that punishes work. It rewards work by ensuring that people who take minimum wage jobs are not shut out of vouchers, which is the administration's position. It eliminates rules that are antifamily and replaces them with pro-family rules and rules that are pro work.

This is a debate over accountability, responsibility, hope and opportunity; about building for the future versus defending the status quo. Vote for this amendment. Vote for the future of America. Help our poor working Americans.

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the Leach-Lazio amendment adding H.R. 2, the Housing Opportunity and Responsibility Act to the VA/HUD appropriations bill. Reforming our public housing system is long overdue. Our public housing programs have been a failure. For years I served as the Ranking Minority Member on the Banking Housing Subcommittee. While we made repeated attempts to address the waste, fraud and abuse inherent in our public housing system, this is the first time we have had a comprehensive plan offering effective solutions. This provision is the same legislation passed by this House by a significant margin earlier this year.

H.R. 2 will give public housing families the tools they need to help themselves achieve decent housing at a affordable price, in safer neighborhoods, with significant resident management and local control.

We have made great strides in reforming our welfare system in an effort to give people the hand up they need rather than a hand out. But the job of reforming our welfare system will not be complete until we make fundamental changes to and reform of our public housing system.

H.R. 2 is based on several simple principles: A shared objective to provide clean, safe, affordable housing for our lower-income families in America; personal responsibility; protection for the residents of public housing; removal of disincentives to work; and empowerment of the individual and family tenant by offering them choices.

H.R. 2 represents a bold step forward, and Chairman LEACH and Subcommittee Chairman LAZIO are to be commended for their steadfast commitment to seeing that these reforms become a reality. I urge my colleagues to support this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York (Mr. LAZIO).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. LAZIO. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 501, further proceedings on the amendment offered by the gentleman from New York (Mr. LAZIO) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 501, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendments numbered 18 offered by the gentleman from Ohio (Mr. STOKES) and amendment No. 12 offered by the gentleman from New York (Mr. LAZIO).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENTS NUMBERED 18 OFFERED BY MR. STOKES

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendments offered by the gentleman from Ohio (Mr. STOKES) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendments.

The Clerk redesignated the amendments.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 215, not voting 18, as follows:

[Roll No 295]

AYES—201

Abercrombie	Allen	Baesler
Ackerman	Andrews	Baldacci
Barcia	Gutierrez	Owens
Barrett (WI)	Hall (OH)	Pallone
Becerra	Hall (TX)	Pascrell
Bentsen	Hamilton	Pastor
Berman	Hastings (FL)	Payne
Berry	Hefner	Pelosi
Bishop	Hilliard	Peterson (MN)
Blagojevich	Hinchey	Pickett
Blumenauer	Hinojosa	Pomeroy
Bonior	Hooley	Poshard
Boswell	Hoyer	Price (NC)
Boucher	Jackson (IL)	Quinn
Boyd	Jackson-Lee (TX)	Rahall
Brady (PA)	Jefferson	Ramstad
Brown (CA)	Johnson (WI)	Rangel
Brown (FL)	Johnson, E. B.	Reyes
Brown (OH)	Kanjorski	Rivers
Campbell	Kaptur	Rodriguez
Capps	Kennedy (MA)	Roemer
Cardin	Kennedy (RI)	Ros-Lehtinen
Carson	Kildee	Rothman
Clay	Kilpatrick	Rush
Clayton	Kind (WI)	Sabo
Clement	Kleczka	Sanchez
Clyburn	Kucinich	Sanders
Condit	LaFalce	Sandlin
Conyers	Lampson	Sawyer
Costello	Lantos	Schumer
Coyne	Lee	Scott
Cramer	Levin	Serrano
Cummings	Lipinski	Sherman
Danner	LoBiondo	Sisisky
Davis (FL)	Lofgren	Skaggs
Davis (IL)	Lowey	Skelton
Davis (VA)	Luther	Slaughter
DeFazio	Maloney (CT)	Smith (NJ)
DeGette	Maloney (NY)	Smith, Adam
Delahunt	Manton	Spratt
DeLauro	Markey	Stabenow
Deutsch	Martinez	Stark
Diaz-Balart	Mascara	Stenholm
Dicks	Matsui	Stokes
Dingell	McCarthy (MO)	Strickland
Dixon	McCarthy (NY)	Tauscher
Doggett	McDermott	Taylor (MS)
Dooley	McGovern	Thompson
Doyle	McHale	Thurman
Edwards	McHugh	Tierney
Engel	McIntyre	Torres
English	McKinney	Towns
Ensign	Meehan	Traficant
Eshoo	Meek (FL)	Turner
Etheridge	Meeks (NY)	Velazquez
Evans	Menendez	Vento
Farr	Miller (CA)	Visclosky
Fattah	Minge	Waters
Fazio	Mink	Watt (NC)
Fox	Mollohan	Waxman
Frank (MA)	Moran (VA)	Wexler
Frost	Morella	Weygand
Furse	Nadler	Wise
Gejdenson	Neal	Woolsey
Gephardt	Oberstar	Wynn
Gilman	Obey	Yates
Gordon	Olver	
Green		

NOES—215

Aderholt	Cannon	Fossella
Archer	Castle	Fowler
Armey	Chabot	Franks (NJ)
Bachus	Chambliss	Frelinghuysen
Baker	Chenoweth	Gallegly
Ballenger	Christensen	Ganske
Barr	Coble	Gekas
Barrett (NE)	Coburn	Gibbons
Bartlett	Collins	Gilchrest
Bass	Combest	Gillmor
Bateman	Cook	Goode
Bereuter	Cooksey	Goodlatte
Bilbray	Cox	Goodling
Bilirakis	Crane	Goss
Bliley	Crapo	Graham
Blunt	Cubin	Granger
Boehlert	Cunningham	Greenwood
Boehner	Deal	Gutknecht
Bonilla	DeLay	Hansen
Bono	Dickey	Hastert
Borski	Dreier	Hastings (WA)
Brady (TX)	Duncan	Hayworth
Bryant	Dunn	Hefley
Bunning	Ehlers	Herger
Burr	Ehrlich	Hilleary
Burton	Emerson	Hobson
Buyer	Everett	Hoekstra
Callahan	Ewing	Holden
Calvert	Fawell	Horn
Camp	Foley	Hostettler
Canady	Forbes	Houghton

Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lucas
Manzullo
McCollum
McCrery
McDade
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Radanovich
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Stupak
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—18

Barton
Doolittle
Filner
Ford
Gonzalez
Harman
Hill
John
Kennelly
Lewis (GA)
McNulty
Millender-McDonald
Moakley
Ortiz
Parker
Roybal-Allard
Snyder
Tanner

☐ 1301

Messrs. PACKARD, WELLER and SHAYS changed their vote from ''aye'' to ''no.''

Mr. QUINN changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 12 OFFERED BY MR. LAZIO OF NEW YORK

The CHAIRMAN pro tempore (Mr. LAHOOD). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from New York (Mr. LAZIO) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 230, noes 181, not voting 23, as follows:

[Roll No. 296]

AYES—230

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doggett
Dreier
Duncan
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Luther
Manzullo
McCollum
McCrery
McDade
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Miller (FL)
Moran (KS)
Morella
Myrick
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—181

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lipinski
Lofgren
Lowey
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Nethercutt
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Slaughter
Smith, Adam
Spratt
Stabenow
Stark
Stokes
Stupak
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—23

Barton
Callahan
Doolittle
Dunn
Filner
Ford
Gonzalez
Harman
Hill
Jefferson
John
Kennelly
Lewis (GA)
Livingston
McNulty
Mica
Millender-McDonald
Moakley
Ortiz
Parker
Roybal-Allard
Snyder
Tanner

☐ 1308

Mr. MCINTYRE and Mr. SPRATT changed their vote from ''aye'' to ''no.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. MICA. Mr. Chairman, on rollcall No. 296, the Leach and Lazio amendment to H.R. 4194, I was unavoidly detained. Had I been present, I would have voted ''Yes.''

The CHAIRMAN. The committee will rise informally.

The SPEAKER pro tempore (Mr. PEASE) assumed the chair.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

The Committee resumed its sitting.

(By unanimous consent, Mr. BONIOR was allowed to speak out of order.)

LEGISLATIVE PROGRAM

Mr. BONIOR. Mr. Chairman, I have asked to speak out of turn for the purposes of engaging the gentleman from Texas (Mr. ARMEY), the distinguished majority leader, in a colloquy for the

purposes of learning the schedule for today, the rest of the week and the following week.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I would like to get through this as quickly as possible. I know that the gentleman from California (Mr. LEWIS) and others have some time that they want to spend with respect to our friend and colleague, the gentleman from Ohio (Mr. STOKES), and we certainly want to make sure that they have a good opportunity for that time.

So, Mr. Chairman, I am pleased to announce that we have concluded legislative business for the week.

The House will next meet on Monday, July 20, at 12:30 p.m. for morning hour and at 2 o'clock p.m. for legislative business. We do not expect any recorded votes before 5 o'clock p.m. on Monday, July 20.

On Monday, July 20, we will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices this afternoon.

After suspensions, the House will continue consideration of H.R. 2108, the Bipartisan Campaign Integrity Act of 1997.

On Tuesday, July 21, the House will meet at 9 o'clock a.m. for morning hour and at 10 a.m. to consider the following legislation:

H.R. 4193, the Department of Interior and Related Agencies Appropriations Act, and H.R. 4194, the Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act.

On Wednesday, July 22, and the balance of the week, the House will consider H.J.Res. 121, a resolution disapproving of the extension of nondiscriminatory treatment to the products of the People's Republic of China, the Departments of Commerce, Justice, State and Judiciary Appropriations Act, and H.R. 4250, Patient Protection Act.

Mr. Chairman, we also expect to deal with the President's veto of H.R. 1122, the Partial-Birth Abortion Ban Act of 1997, and, Mr. Chairman, we hope to conclude legislative business for the week by 2 o'clock p.m. on Friday, July 24.

Mr. BONIOR. Mr. Chairman, I thank my colleague, and I would just make the following comment, that we obviously have a very full and interesting and to some extent controversial schedule next week.

I would note that from the schedule that my friend from Texas read that the discussion on bipartisan campaign finance reform seems to be relegated to 1 day.

□ 1345

The concern that I have, and I think is shared by some on your side of the aisle as well as those of us on this side of the aisle, is we are not going to finish this bill by the next recess. As I understood it, there was a pledge to do that. We have had these pledges in the past. We are concerned, by only devoting one day next week to this bill, that we are not going to finish.

I would like to have some assurances from my colleague from Texas that indeed that is the intention, that we will devote the time that is necessary to finish this bill and move it forward, so we could get a bill that will reform our system by the end of this Congress.

Mr. ARMEY. Mr. Chairman, if the gentleman will yield further, I thank the gentleman for his expression of concern and interest. I share the gentleman's commitment to completing this work before we leave for the August recess. That is a commitment that will, in fact, be met.

In that regard, let me say we do hope for and will be looking for opportunities in addition to those announced to bring that work back on the floor.

I might further and finally express with respect to this important legislation my appreciation for the floor managers and the other interested parties in this body for the congenial way in which they are managing to work out agreements by which we can better manage these works. It is through their congeniality and inventiveness that I remain confident that we will in fact have a satisfactory completion of this work, where everyone will know and appreciate they are being treated fairly by their own common agreements.

Mr. BONIOR. Mr. Chairman, I thank my colleague.

If I might just anticipate the remarks of my friend from California (Mr. LEWIS) that will be made shortly, let me say in advance I join him in more fuller remarks that he will be making Tuesday. However, I will withhold my remarks so I can more fully express my appreciation for someone that we have a joint warm feeling for in this institution.

Mr. LEWIS of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. LAHOOD, 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. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, had come to no resolution thereon.

MAKING IN ORDER AT ANY TIME ON WEDNESDAY, JULY 22, 1999, CONSIDERATION OF H.J. RES. 121, DISAPPROVING MOST-FAVORED-NATION TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that it be in order at any time on Wednesday, July 22, 1998 to consider in the House the joint resolution (H.J. Res. 121) disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China;

that the joint resolution be considered as read for amendment;

that all points of order against the joint resolution and against its consideration be waived;

that the joint resolution be debatable for 4 hours, equally divided and controlled by the chairman of the Committee on Ways and Means in opposition to the resolution and a Member in support of the joint resolution;

that pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question be considered as ordered on the joint resolution to final passage without intervening motion; and

that the provisions of sections 152 and 153 of the Trade Act of 1994 shall not otherwise apply to any joint resolution disapproving the extension of most-favored-nation treatment to the People's Republic of China for the remainder of the second session of the 105th Congress.

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

Ms. PELOSI. Mr. Speaker, reserving the right to object, I understand that there is an agreement on all sides about the division of debate time on this resolution, and I would like to ask the gentleman from New York (Mr. SOLOMON), the distinguished chairman of the Committee on Rules, his understanding of that agreement.

The unanimous consent request provides, I understand, 4 hours of debate, equally divided between supporters and opponents of the Solomon resolution. It is my understanding the 2 hours of the debate in support of the resolution will be controlled by a member of the Committee on Ways and Means, the gentleman from California (Mr. STARK), with the understanding that he will yield half of that time to a majority member of the committee, the gentleman from Nebraska (Mr. CHRISTENSEN); and the 2 hours of debate in opposition to the resolution will be controlled by a member of the Committee on Ways and Means, the gentleman from Illinois (Mr. CRANE), with the understanding he will yield half of his time to the gentleman from California (Mr. MATSUI).

I would ask the gentleman, is that the intent of this unanimous consent request?

Mr. SOLOMON. Mr. Speaker, I would say to the gentlewoman, if she would

continue to yield, that, yes, it is. We have 4 hours of debate. We would like to make sure half of that time on each side of the aisle is divided equally among those opponents and proponents of the legislation. The gentlewoman has explained it exactly right.

Ms. PELOSI. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore. Pursuant to House Resolution 501 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. 4194.

□ 1320

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. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, with Mr. HULSHOF (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole House rose earlier today, the bill had been read through page 52, line 2.

The Clerk will read.

The Clerk read as follows:

CDBG PUBLIC SERVICES CAP

SEC. 209. Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking ''1998'' and inserting ''1999''.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries; $26,431,000, to remain available until expended: *Provided,* That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further,* That when traveling on business of the Commission, officers of the Armed Forces serving as members or as Secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further,* That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, as amended, including hire of passenger vehicles, and for services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, $6,500,000: *Provided,* That the Chemical Safety and Hazard Investigation Board shall have not more than three career Senior Executive Service positions.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

FUND PROGRAM ACCOUNT

For grants, loans, and technical assistance to qualifying community development lenders, and administrative expenses of the Fund, including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES–3, $80,000,000, to remain available until September 30, 2000, of which $12,000,000 may be used for the cost of direct loans, and up to $1,000,000 may be used for administrative expenses to carry out the direct loan program: *Provided,* That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $32,000,000: *Provided further,* That not more than $25,000,000 of the funds made available under this heading may be used for programs and activities authorized in section 114 of the Community Development Banking and Financial Institutions Act of 1994.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $46,000,000. No funds shall be expended in promulgating a Notice of Proposed Rulemaking or Final Rule under the Flammable Fabrics Act, which could directly or indirectly lead to increased chemical treatment of upholstery fabrics, unless the published Notice of Proposed Rulemaking or Final Rule includes the final recommendations of the Chronic Hazard Advisory Panel.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

Of the funds appropriated under this heading in Public Law 105–65, the Corporation for National and Community Service shall use such amounts of such funds as may be necessary to carry out the orderly termination of (1) the programs, activities, and initiatives under the National and Community Service Act of 1990 (Public Law 103–82); the Corporation; and (3) the Corporation's Office of Inspector General: *Provided,* That such sums shall be utilized to resolve all responsibilities and obligations in connection with said Corporation and the Corporation's Office of Inspector General.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. sections 7251–7298, $10,195,000, of which $865,000, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of one passenger motor vehicle for replacement only, and not to exceed $1,000 for official reception and representation expenses, $11,666,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $656,505,000, which shall remain available until September 30, 2000: *Provided,* That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses, $1,856,000,000, which shall remain available until September 30, 2000: *Provided,* That the obligated balance of such

sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000: *Provided further,* That none of the funds appropriated by this Act shall be used to develop, propose, or issue rules, regulations, decrees, or orders for the purpose of implementation, or in contemplation of implementation, of the Kyoto Protocol which was adopted on December 11, 1997, in Kyoto, Japan at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of such Protocol: *Provided further,* That none of the funds made available in this Act may be used to implement or administer the interim guidance issued on February 5, 1998 by the Environmental Protection Agency relating to title VI of the Civil Rights Act of 1964 and designated as the ''Interim Guidance for Investigating Title VI Administrative Complaints Challenging Permits'' with respect to complaints filed under such title after the date of enactment of this Act and until guidance is finalized. Nothing in the above proviso may be construed to restrict the Environmental Protection Agency from developing or issuing final guidance relating to title VI of the Civil Rights Act of 1964.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $31,154,000, to remain available until September 30, 2000: *Provided,* That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, $60,948,000, to remain available until expended.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; not to exceed $1,500,000,000, consisting of $650,000,000 as appropriated under this heading in Public Law 105–65, notwithstanding the second proviso under this heading of said Act, and not to exceed $850,000,000 (of which $100,000,000 shall not become available until September 1, 1999), all of which is to remain available until expended, consisting of $1,175,000,000, as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $325,000,000 as a payment from general revenues to the Hazardous Substance Superfund for purposes as authorized by section 517(b) of SARA, as amended by Public Law 101–508: *Provided,* That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: *Provided further,* That $12,237,000 of the funds appropriated under this heading shall be transferred to the ''Office of Inspector General'' appropriation to remain available until September 30, 2000: *Provided further,* That notwithstanding section 111(m) of CERCLA or any other provision of law, $74,000,000 of the funds appropriated under this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of SARA: *Provided further,* That $40,000,000 of the funds appropriated under this heading shall be transferred to the ''Science and Technology'' appropriation to remain available until September 30, 2000: *Provided further,* That $75,000,000 of the funds appropriated under this heading shall be available only for grants to State, local, and tribal governments for ''Brownfields'' site assessment projects; grants to State, local, and tribal governments for the development of State, local, and tribal cleanup programs; and related Environmental Protection Agency personnel and administrative expenses: *Provided further,* That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1999.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $70,000,000, to remain available until expended: *Provided,* That hereafter, the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the same purposes as are set forth in section 9003(h)(7) of the Resource Conservation and Recovery Act.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, $15,000,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, $3,233,132,000, to remain available until expended, of which $1,250,000,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, and $775,000,000 shall be for capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act, as amended; $55,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico border, after consultation with the appropriate border commission; $15,000,000 for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages as provided by section 303 of Public Law 104–182; $253,475,000 for making grants for the construction of wastewater and water treatment facilities and groundwater protection infrastructure in accordance with the terms and conditions specified for such grants in the report accompanying this Act (H.R.); and $884,657,000 for grants, including associated program support costs, to States, Federally recognized tribes, interstate agencies, Tribal consortia, and air pollution control agencies for multi-media or single media pollution prevention, control and abatement and related activities, including activities pursuant to the provisions set forth under this heading in Public Law 104–134, and for making grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities: *Provided,* That, consistent with section 1452(g) of the Safe Drinking Water Act (42 U.S.C. 300j–12(g)), section 302 of the Safe Drinking Water Act Amendments of 1996 (Public Law 104–182) and the accompanying joint explanatory statement of the committee on conference (H. Rept. No. 104–741 to accompany S. 1316, the Safe Drinking Water Act Amendments of 1996), and notwithstanding any other provision of law, beginning in fiscal year 1999 and thereafter, States may combine the assets of State Revolving Funds (SRFs) established under section 1452 of the Safe Drinking Water Act, as amended, and title VI of the Federal Water Pollution Control Act, as amended, as security for bond issues to enhance the lending capacity of one or both SRFs, but not to acquire the State match for either program, provided that revenues from the bonds are allocated to the purposes of the Safe Drinking Water Act and the Federal Water Pollution Control Act in the same portion as the funds are used as security for the bonds: *Provided further,* That hereafter, the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the development and implementation of programs to manage hazardous waste, and underground storage tanks: *Provided further,* That beginning in fiscal year 1999 and thereafter, pesticide program implementation grants under section 23(a)(1) of the Federal Insecticide, Fungicide and Rodenticide Act, as amended, shall be available for pesticide program development and implementation, including enforcement and compliance activities: *Provided further,* That, notwithstanding the matching requirement in Public Law 104–204 for funds appropriated under this heading for grants to the State of Texas for improving wastewater treatment for the Colonias, such funds that remain unobligated may also be used for improving water treatment for the Colonias, and shall be matched by the State funds from State resources equal to 20 percent of such unobligated funds.

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent that the remainder of title III through page 65, line 16, be considered as read, printed in the RECORD and open to amendment at any point.

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

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to that portion of the bill?

AMENDMENT NO. 19 OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer an amendment on behalf of myself and the gentlewoman from Colorado (Ms. DEGETTE).

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

The text of the amendment is as follows:

Amendment No. 19 offered by Mr. STOKES: Page 61, line 13, strike the colon and all that follows through ''expenses'' on line 20.

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

Mr. STOKES. Mr. Chairman, I am sorry it is necessary to offer this amendment. I wish the committee had not included the language limiting the amount and usage of the Environmental Protection Agency's brownfields money.

I think the provision included in the reported bill that reduces brownfields funds from the administration's request of $91 million to $75 million is misguided; and I think the language restricting the brownfields money to assessments, prohibiting the capitalization of local government and revolving fund loan funds for cleanup, is also misguided.

My amendment is very simple: By deleting the brownfields limitation, it would allow the EPA to spend up to the budget request of $91 million for the program. This is approximately the same amount as was made available for the program in each of the last 2 years. It would also allow brownfields funds to be used for revolving fund capitalization. That is to say, the funds could be used not only for assessments but also for cleanups.

This past January, the United States Conference of Mayors issued a report entitled ''Recycling America's land: A National Report on Brownfields Redevelopment.'' I am going to read three statements from the executive summary of the report.

First, the report shows that a failure to address brownfields redevelopment will result in a wasted opportunity for America to recycle its land, create jobs, increase local tax bases and revitalize neighborhoods.

Second, the report also finds that the proliferation of brownfields is a problem that affects communities of all sizes. Fifty-three cities, or 36 percent of respondents, were communities with populations of less than 50,000. Eighty-eight cities, or 56 percent of respondents, were communities with less than 100,000 population. These responses confirm that brownfields are not an isolated problem and can be found in communities of various sizes and locations.

Finally, cities participating in the study identified several major obstacles to the redevelopment of brownfields. Cities noted the lack of cleanup funds as the number one impediment.

Ms. DEGETTE. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentlewoman from Colorado.

Ms. DEGETTE. Mr. Chairman, before I make the rest of my statement, I would like to thank our distinguished ranking member for working so closely with me and my office on this brownfields amendment. I would also like to thank the chairman of the subcommittee for assisting in this matter.

As written, the bill prohibits the EPA from giving much-needed, much-sought-after assistance to localities and jeopardizing the cleanup of sites. Our amendment gives local communities the tools they need to clean up decaying and sterile brownfield sites, creating jobs and revitalizing our neighborhoods.

Brownfields are abandoned and often contaminated properties that can be found in urban, suburban and rural areas across the United States. We all have brownfields in our communities; the abandoned gas station on the corner, the dormant steel plant in the valley, the old mill by the river.

The GAO has estimated there are approximately 450,000 brownfields sites around the country. Cleaning up these sites and returning them to productive use will not only benefit the public health and the environment, but it will create jobs and economic opportunities. In urban areas like Denver, redevelopment of brownfields can also prevent urban sprawl and development of pristine areas called greenfields.

The EPA's brownfields initiative has been tremendously successful. It has awarded 2-year brownfields pilots intended to bring together public and private efforts at all levels of government. In fact, the EPA has awarded more than 228 project grants, including 71 new pilots that the Vice President just announced this week.

However, this bill has three problems. First of all, it prevents any of these funds from being used by localities to set up revolving loan programs.

Secondly, it provides only $75 million in funding, $16.3 million below the administration's request, and, frankly, well below the real needs in this country for brownfields redevelopment.

Thirdly, the legislation prohibits the funds from being used for research and community outreach, a vital component of the program which furthers understanding of brownfields and gives community tools to redevelopment.

Many communities in the country have benefitted from brownfields redevelopment, and we need to make sure that we do not limit them by the language in this legislation.

I have received numerous letters from mayors across the country, including Denver, Commerce City, Colorado, and Salt Lake City, expressing the need for full funding for the studies and for the money to be used for redevelopment.

This is a widely supported bill by communities across the country. I urge adoption of our amendment so that it can be used to its fullest potential.

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

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Stokes amendment and would associate myself with the gentleman's remarks.

Many of us who represent the northeast have come to value the importance of the brownfields program at the Environmental Protection Agency. The program funded in this bill will give communities with abandoned industrial sites the opportunity to assess these problems more closely and to find alternatives to clean up these sites.

Brownfields need to be redeveloped, whether they are in urban centers or elsewhere, and this program goes a long way towards addressing this national problem. Unfortunately, the language contained in this bill would have the unintended consequences of prohibiting any use of the funds for education, outreach or technical assistance.

I believe that the National Conference of Mayors, who strongly supports the brownfields program, put it best when they said, ''This provision would take brownfields redevelopment efforts in the wrong direction.''

It is imperative that our communities have access to these funds in order to educate themselves about how to best achieve the goal of rebuilding their communities and putting these sites back into productive commercial use.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe the brownfields program is a good program and the committee supports efforts to turn abandoned and possibly contaminated properties into thriving commercial areas. On the other hand, both the GAO and the Inspector General have issued reports questioning some past EPA grants to nongovernmental organizations, where scarce dollars have gone for case studies, conferences and workshops.

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The committee's intent is to ensure that brownfields funds are used appropriately within the boundaries of the law that my colleague, the gentleman from Ohio (Mr. STOKES), has done so much to develop in the first place.

In that spirit, but with those reservations, I reluctantly support the amendment.

Mrs. KENNELLY of Connecticut. Mr. Chairman, I rise in strong support of the Stokes-Degette Amendment, which would remove restrictive anti-environmental language in the bill which would prevent the clean up of contaminated brownfield sites. The Committee has reduced President Clinton's request for Brownfields by more than ninety million dollars, a sixteen percent cut from last year. Additionally, the bill would prevent EPA from providing brownfields program support for brownfields site cleanup, research, and job training.

In January 1998, the U.S. Conference of Mayors stated that cities ranked the lack of clean up funds as the number one impediment to the redevelopment of brownfields. My home state of Connecticut is one of the oldest industrialized states in the union, and unfortunately the caretaker of many of these contaminated sites. We in the state have been working over

the last several years to identify, clean and recapture these sites for public use. However, the language in this bill would work to prevent us from carrying on this important work.

With the inability of this Congress to reach a compromise on a bipartisan Superfund reform and reauthorization bill, continued funding for the Brownfields Initiative is imperative to the health and safety of America. I urge my colleagues to support this amendment.

The CHAIRMAN. Does any other Member wish to be heard on the amendment number 19 of the gentleman from Ohio (Mr. STOKES)?

If not, the question is on the amendment offered by the gentleman from Ohio (Mr. STOKES).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to this title?

Mr. OXLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if the distinguished chairman of the Subcommittee on VA, HUD and Independent Agencies is willing to engage in a colloquy with me regarding the amendment just passed.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will yield, I guess I will have a colloquy with my friend.

Mr. OXLEY. Mr. Chairman, I want to be clear in the legislative history, I would say to the gentleman from California (Mr. LEWIS) that the enactment of that amendment that just passed does not give EPA any new or additional statutory authority to conduct its brownfields programs.

As chairman of the Subcommittee on Finance and Hazardous Materials, which has primary jurisdiction over the Superfund law in the House, I do not want the EPA or anyone else to think that the current Superfund law authorizes the Agency to use brownfields money to capitalize revolving loan funds. Moreover, brownfields money may be used pursuant to section 311(c) of CERCLA to fund only, and I quote, ''Research with respect to the detection, assessment and evaluation of the effects on and risks to human health of hazardous substances and detection of hazardous substances in the environment.''

The language of section 311(c) does not, I emphasize, does not, authorize the Agency to use brownfields money to fund conferences, seminars, meetings, workshops, or other activities that have nothing to do with actual research.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will yield, I concur with the gentleman's view that the current text of the bill before us does not authorize activities not currently authorized under CERCLA.

Mr. OXLEY. Mr. Chairman, reclaiming my time, that being the case, I hope that the gentleman will make the permissible scope of the activities clear in his work in conference.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will yield further, we will do everything we can to ensure that EPA is not permitted to exceed the scope of its current authorized activities.

I might add that we have made serious effort to put pressure on EPA in a number of other areas, and they are not always as responsive as I might like.

Mr. OXLEY. Mr. Chairman, I thank the gentleman.

Ms. DEGETTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would just like to be clear that the use of the EPA funding that is contemplated in the brownfields program, we have no objection to it being used for the purposes which the statute was intended, but I think it is a little inaccurate to say that there has been legal authority saying that it is not intended to be used for revolving funds and other purposes.

First of all, the Inspector General audited pilot programs issued by the EPA and in March 1998 issued a report that said there was not any misuse of funds. In fact, the Inspector General's report concluded that the activities reviewed were authorized under CERCLA.

The Inspector General's only recommendations were administrative in nature, such as the recommendation to revise the EPA's ranking criteria. None of the recommendations implied, as I understand it, that the grant should be terminated, or that the grant program itself was at all questionable. In fact, the Inspector General praised the program.

The EPA has agreed, I would like to stress, to all of the Inspector General's recommendations and states, ''We believe the corrective actions underway and planned by the agency address the report's recommendations. Therefore, we are closing this report upon recommendation.''

The gentleman from Virginia (Mr. BLILEY), our Chairman, asked the GAO to review grants and agreements awarded by the EPA since 1993, the first year the Agency began the brownfields efforts. The GAO found during its 1998 on-site audit of financial records that overall, the recipients were spending the funds in accordance with guidance of OMB.

So I guess I would just like to state for the record that I agree that EPA should not be able to use these funds for any illegal purpose beyond its legal authority, but I think that to state that they have been using them for illegal purposes goes beyond what the Inspector General and GAO have, in fact, said.

Mr. OXLEY. Mr. Chairman, will the gentlewoman yield?

Ms. DEGETTE. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Chairman, I thank the gentlewoman for yielding and would concur in what she said, pointed out that she was not referring to any case to revolving loan funds and the money therein, because obviously, they could not be conducted under the current law, and as long as we clarify that, I think that is important to put in the RECORD.

Ms. DEGETTE. Mr. Chairman, reclaiming my time, in 1997, EPA issued 24 grants to States and local governments to establish revolving loan funds, and on October 2, 1997, the general counsel issued a legal memorandum identifying the EPA's legal authority to set up the brownfields cleanup revolving loan request programs.

The EPA legal authority for these revolving loan funds has never been independently evaluated or challenged by the GAO or the Inspector General.

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Ms. DEGETTE. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I must say we welcome the authorizers presence when we have our bill on the floor any time. I know authorizers often like to use appropriations bills to effectively implement their work, especially when these kinds of disagreements occur from time to time.

Ms. DEGETTE. Mr. Chairman, reclaiming my time again, I would like to thank the distinguished chairman for working with us on these issues.

Mr. LEWIS of California. Mr. Chairman, I think it is important for the Members who are present to know that our bill will be taken up one more time on Tuesday of the coming week. Further discussion regarding matters that relate to the bill will be taking place at that time in case there are those present who might have been expecting some further activity on the part of the committee this afternoon.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. HULSHOF, Chairman pro tempore 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. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, had come to no resolution thereon.

LIMITING FURTHER AMENDMENTS TO SHAYS AMENDMENT DURING FURTHER CONSIDERATION OF H.R. 2183, BIPARTISAN CAMPAIGN INTEGRITY ACT OF 1997

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 2183, pursuant to H. Res. 442 and H. Res. 458, no other amendment to the amendment in the nature of a substitute by the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) shall be in order, except

the amendments that have been placed at the desk.

Each amendment may be considered only in the order listed, may be offered only by the Member designated or his designee, shall be considered as read, shall be debatable for the time specified, equally divided and controlled by the proponent and opponent, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

The amendments that have been placed at the desk are in a particular order and consist of 55 amendments with times ranging from 40 minutes to 10 minutes.

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

Mr. MEEHAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from California (Mr. THOMAS) a question, and I appreciate the gentleman's work in trying to come to an accommodation on this.

I am looking at the schedule for next week, and I only see campaign finance reform scheduled for 1 day, which is Monday. Is that correct?

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. MEEHAN. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, that is correct, on the current calendar. I would tell the gentleman, though, that as usual, Mondays are not a heavily scheduled day, and it is entirely possible that we could begin the campaign reform debate once again at approximately 5 o'clock, and we could then continue into the evening as long as Members are willing.

I would not at this time say that we would then continue into the morning, depending upon whether the Members are willing, but my guess is that we could put together continuously, which I think is the best use of time in the debate, for perhaps 4 or 5, maybe even 6 hours, and that would constitute a full one-third of what we have available to us under this unanimous consent request.

Mr. MEEHAN. Mr. Speaker, reclaiming my time, obviously I am not thrilled about 55 amendments to the Shays-Meehan bill to begin with, but as I add it up, it looks certainly like we could get through this in a shorter period of time, but I look at the schedule and I see that really we only have 3 weeks left to the session, and I would hope that assuming we come in on Monday and debate campaign finance reform for some period until 11 o'clock or so, if we did not deal with it the rest of the week, I would be concerned because the following week we start the 27th, and then the final week would be the last week.

In addition to that, as the gentleman knows, we have a very aggressive schedule in a number of appropriations bills that we need to pass. We have tobacco legislation, Commerce-Justice appropriations, D.C. appropriations, foreign appropriations, VA-HUD appropriations, Transportation.

So I am concerned about when we are ultimately going to get our vote on this, on the Shays-Meehan proposal, and then as the gentleman knows, we have another nine or so substitutes which presumably are open to amendments as well.

Given the fact that the clock is ticking, and given the fact that I know the gentleman and the leadership has indicated we would finish campaign finance reform by August 7, I would hope that we could get through this quickly, maybe work out some kind of an additional agreement to at some point stop the debate and get an up or down vote on the significant proposals before us.

Mr. SHAYS. Mr. Speaker, will the gentleman yield?

Mr. MEEHAN. Further reserving the right to object, I yield to my colleague, the gentleman from Connecticut.

Mr. SHAYS. I thank the gentleman from Massachusetts for yielding.

Mr. Speaker, the purpose in my participating in this dialogue is to thank the gentleman from California (Mr. THOMAS) for his participation. I know that the gentleman from New York (Mr. SOLOMON) has played a major role in terms of the rule, and we do know that time is becoming tighter and tighter. I think the gentleman from California (Mr. THOMAS) would acknowledge that if we are able to have a schedule that includes more than just Monday, other unanimous consents may not be necessary, but working together, I hope that we can continue this process, but, again, to thank the gentleman from California (Mr. THOMAS) for his work and his commitment that will get the job done with cooperation.

Mr. THOMAS. Mr. Speaker, will the gentleman from Massachusetts yield?

Mr. MEEHAN. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, my commitment may be useful, but it is not sufficient. Obviously, it is the leadership that has made the commitment. So when I tell the gentleman from Massachusetts that we are going to get it done during this period, it is from the leadership of the majority party in the House of Representatives. I am a conveyer of that, and I feel comfortable that that will be honored.

I understand the gentleman's concern, and this is not to reflect on where we have been, but we have already lost a full day that could have been devoted to campaign finance reform because we did not have an orderly process in place. For a while, we were working day by day. What we have here now is a clear plan to deal with one of the major substitutes that we have to deal with.

I know the gentleman from Massachusetts, and I thank him for making sure that as his mother watches the program she feels comfortable, because it was only out of ignorance that I did not know that I should not use the ''H'' in the gentleman from Massachusetts' name and, in fact, that it is silent.

I would tell the gentleman from Massachusetts, I know he is anxious and concerned. This to me is a significant step forward in dealing with one of the major substitutes.

What happens to this substitute fairly clearly will dictate what occurs with other bills, whether it passes or it does not, but to try to get a commitment now locked in time, because of the very appropriations bills that the gentleman from Massachusetts mentioned are coming up, and obviously funding the Federal Government is of paramount importance, to try to lock the whole process in, in essence, returns us to square one where we have been.

What I am trying to do is to create as much order in as large a segment as I can.

Clearly, the flow of those appropriations bills to the floor probably will not be in a clear, automatic, understood pattern. We will do everything we can to create blocks of time, as close to Monday as we can, to accomplish the purposes of this unanimous consent, because the gentleman from Massachusetts is absolutely correct, accomplishing this unanimous consent only gets us on the way to finalizing campaign reform debate in votes.

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It is an important segment, but it is not all the way there. If I could give the gentleman greater assurances than that, I would. What he has is my commitment, evidenced by this UC, to work closely with leadership and both sides of the aisle to accomplish what has been committed, and that is finalizing debate and voting on the measure before we leave for the August recess.

Mr. MEEHAN. Reclaiming my time, first of all, both my mother and I thank the gentleman for his work on the UC and also for his pronunciation of her name. Also, let me just mention the fact that I think it is clear from the votes that have been taken that there probably is a majority of the Members of this House that are ready, willing and able to vote for passage of the Shays-Meehan substitute.

I would hope that we would do everything in our power to get that up-or-down vote and to get through with this debate. The majority of the Members of this House, I think, want to pass this bill and get it over to the other body and get it over there in enough time to get a bill to the President's desk. So I would ask the Speaker and the Republican leadership to keep that in mind.

Mr. THOMAS. Mr. Speaker, if the gentleman will continue to yield, just to say that, frankly, given the pivotal role of this particular amendment, whether it passes or fails will dictate clearly what is done with the rest of the campaign reform rule package in terms of the other amendments. So regardless of whether it passes or fails, getting to the vote will be a significant assistance in allowing us to examine

how we might be able to package the rest of the time in a meaningful way.

Just let me, in responding to the gentleman, add that, from this side of the aisle, I do think this is a good-faith effort in terms of trying to create a reasonable time frame. It would be extremely disappointing if from our side of the aisle, for example, on Monday, where we have devoted a significant time for campaign reform, that it would be consumed in part by procedural motions of limiting debate and that sort.

If the gentleman examines the list, which I know he has, there are a significant number of amendments that have only been given 10 minutes time. That is far less than is ordinarily given for the number of amendments. What we have tried to do is limit the time. No amendment has an hour. The greatest amount of time is 40 minutes. And if there were procedural motions, that would be extremely disappointing and make the ability to create an orderly process for the entire package extremely difficult.

I thank the gentleman for yielding to me.

Mr. MEEHAN. Mr. Speaker, I agree to the unanimous consent request, and I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. PEASE). Without objection, the list of amendments designated is at the desk under the request and the amendments themselves will be printed in the RECORD at this point.

There was no objection.

The text of the list of amendments and the amendments are as follows:

(1) the amendment by Representative PICKERING of Mississippi for 10 minutes;

(2) the first amendment by Representative SMITH of Michigan for 10 minutes;

(3) the first amendment by Representative DELAY of Texas for 10 minutes;

(4) the amendment by Representative MCINNIS of Colorado for 10 minutes;

(5) the amendment by Representative PAXON of New York for 10 minutes;

(6) the amendment by Representative HEFLEY of Colorado for 10 minutes;

(7) the second amendment by Representative HEFLEY of Colorado for 10 minutes;

(8) the amendment by Representative NORTHUP of Kentucky for 10 minutes;

(9) the amendment by Representative GOODLATTE of Virginia for 40 minutes;

(10) the amendment by Representative WICKER of Mississippi for 40 minutes;

(11) the amendment by Representative SNOWBARGER of Kansas for 10 minutes;

(12) the first amendment by Representative WHITFIELD of Kentucky for 10 minutes;

(13) the amendment by Representative CALVERT of California for 40 minutes;

(14) the amendment by Representative SALMON of Arizona for 10 minutes;

(15) the first amendment by Representative STEARNS of Florida for 10 minutes;

(16) the amendment by Representative ROHRABACHER of California for 10 minutes;

(17) the first amendment by Representative PAUL of Texas for 10 minutes;

(18) the second amendment by Representative PAUL of Texas for 40 minutes;

(19) the second amendment by Representative DELAY of Texas for 40 minutes;

(20) the third amendment by Representative DELAY of Texas for 40 minutes;

(21) the amendment by Representative PETERSON of Pennsylvania for 40 minutes

(22) the first amendment by Representative BARR of Georgia for 40 minutes

(23) the second amendment by Representative BARR of Georgia for 10 minutes

(24) the amendment by Representative TRAFICANT of Ohio for 10 minutes

(25) the fourth amendment by Representative DELAY of Texas for 10 minutes

(26) the fifth amendment by Representative DELAY of Texas for 10 minutes

(27) the sixth amendment by Representative DELAY of Texas for 10 minutes

(28) the seventh amendment by Representative DELAY of Texas for 10 minutes

(29) the eighth amendment by Representative DELAY of Texas for 10 minutes

(30) the amendment by Representative GUTKNECHT of Minnesota for 10 minutes

(31) the amendment by Representative SCHAFFER of Colorado for 10 minutes

(32) the amendment by Representative HORN of California for 10 minutes

(33) the amendment by Representative UPTON of Michigan for 10 minutes

(34) the second amendment by Representative SMITH of Michigan for 10 minutes

(35) the amendment by Representative SHADEGG of Arizona for 10 minutes

(36) the ninth amendment by Representative DELAY of Texas for 40 minutes

(37) the amendment by Representative SHAW of Florida for 10 minutes

(38) the first amendment by Representative KAPTUR of Ohio for 10 minutes

(39) the second amendment by Representative KAPTUR of Ohio for 10 minutes

(40) the first amendment by Representative SMITH of Washington for 10 minutes

(41) the second amendment by Representative SMITH of Washington for 10 minutes

(42) the third amendment by Representative SMITH of Washington for 10 minutes

(43) the fourth amendment by Representative SMITH of Washington for 10 minutes

(44) the fifth amendment by Representative SMITH of Washington for 10 minutes

(45) the sixth amendment by Representative SMITH of Washington for 10 minutes

(46) the second amendment by Representative SMITH of Washington for 10 minutes

(47) the third amendment by Representative STERNS of Florida for 10 minutes

(48) the third amendment by Representative STERNS of Florida for 10 minutes

(49) the fourth amendment by Representative STERNS of Florida for 10 minutes

(50) the second amendment by Representative WHITFIELD of Kentucky for 10 minutes

(51) the third amendment by Representative WHITFIELD of Kentucky for 10 minutes

(52) the amendment by Representative ENGLISH of Pennsylvania for 10 minutes

(53) the amendment by Representative GEKAS of Pennsylvania for 10 minutes

(54) the amendment by Representative MILLER of Florida for 10 minutes

(55) the amendment by Representative DOOLITTLE of California for 10 minutes

(Prohibiting certain defenses to violation of foreign contribution ban)

AMENDMENT OFFERED BY MR. PICKERING OF MISSISSIPPI TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

In section 506, strike ''Section 319'' and insert ''(a) IN GENERAL.—Section 319'', and add at the end the following:

(b) PROHIBITING USE OF WILLFUL BLINDNESS AS DEFENSE AGAINST CHARGE OF VIOLATING FOREIGN CONTRIBUTION BAN.—

(1) IN GENERAL.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection:

''(b) It shall not be a defense to a violation of subsection (a) that the defendant did not know that the contribution originated from a foreign national if the defendant was aware of a high probability that the contribution originated from a foreign national.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to violations occurring on or after the date of the enactment of this Act.

(Modification of Pickering amendment on defenses to foreign money ban)

MODIFICATION TO THE AMENDMENT OFFERED BY MR. PICKERING OF MISSISSIPPI

The amendment is modified as follows:

In section 319(b) of the Federal Election Campaign Act of 1971, as proposed to be inserted by the amendment—

(1) strike ''was aware of a high probability'' and insert ''should have known''; and

(2) strike the period at the end and insert the following: '', except that the trier of fact

may not find that the defendant should have known that the contribution originated from a foreign national solely because of the name of the contributor.''.

(Penalty for violation of foreign contribution ban)

AMENDMENT OFFERED BY MR. SMITH OF MICHIGAN TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE —PENALTY FOR VIOLATION OF FOREIGN CONTRIBUTION BAN

SEC. ___01. PENALTY FOR VIOLATION OF PROHIBITION AGAINST FOREIGN CONTRIBUTIONS.

(a) IN GENERAL.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

''(b) Any person who violates subsection (a) shall be sentenced to a term of imprisonment which may not be less than 5 years or more than 20 years, fined in an amount not to exceed $1,000,000, or both.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring on or after the date of the enactment of this Act.

(Controlling legal authority)

AMENDMENT OFFERED BY MR. DELAY OF TEXAS TO THE AMENDMENTS OFFERED BY SHAYS/MEEHAN

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—SENSE OF CONGRESS REGARDING FUNDRAISING ON FEDERAL PROPERTY

SEC. ___01. SENSE OF CONGRESS REGARDING APPLICABILITY OF CONTROLLING LEGAL AUTHORITY TO FUNDRAISING ON FEDERAL PROPERTY.

(a) FINDINGS.—Congress finds the following:

(1) On March 2, 1997, the Washington Post reported that Vice President Gore ''played the central role in soliciting millions of dollars in campaign money for the Democratic Party during the 1996 election'' and that he was known as the administration's ''solicitor-in-chief''.

(2) The next day, Vice President Gore held a nationally televised press conference in which he admitted making numerous calls from the White House in which he solicited campaign contributions.

(3) The Vice President said that there was ''no controlling legal authority'' regarding the use of government telephones and properties for the use of campaign fundraising.

(4) Documents that the White House released reveal that Vice President Gore made 86 fundraising calls from his White House office, and these new records reveal that Vice President Gore made 20 of these calls at taxpayer expense.

(5) Section 641 of title 18, United States Code, (prohibiting the conversion of government property to personal use) clearly prohibits the use of government property to raise campaign funds.

(6) On its face, the conduct to which Vice President Gore admitted appears to be a clear violation of section 607 of title 18, United States Code, which makes it unlawful for ''any person to solicit . . . any (campaign) contribution...in any room or building occupied in the discharge of official (government) duties''.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Federal law clearly demonstrates that ''controlling legal authority'' prohibits the use of Federal property to raise campaign funds.

(Prohibition against acceptance or solicitation to obtain access to certain government property)

AMENDMENT OFFERED BY MR. MCINNIS OF COLORADO TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—PROHIBITING SOLICITATION TO OBTAIN ACCESS TO CERTAIN GOVERNMENT PROPERTY

SEC. ___01. PROHIBITION AGAINST ACCEPTANCE OR SOLICITATION TO OBTAIN ACCESS TO CERTAIN GOVERNMENT PROPERTY.

(a) IN GENERAL.—Chapter 11 of title 18, United States Code, is amended by adding at the end the following new section:

''§ 226. Acceptance or solicitation to obtain access to certain government property

''Whoever solicits or receives anything of value in consideration of providing a person with access to Air Force One, Marine One, Air Force Two, Marine Two, the White House, or the Vice President's residence, shall be fined under this title, or imprisoned not more than one year, or both.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 18, United States Code, is amended by adding at the end the following new item:

''226. Acceptance or solicitation to obtain access to certain government property.''.

(Disclosure of spending by unions)

AMENDMENT OFFERED BY MR. PAXON OF NEW YORK TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—UNION DISCLOSURE

SEC. __01. UNION DISCLOSURE.

(a) IN GENERAL.—Section 201(b) of the Labor Management Reporting and Disclosure Act of 1959 (29 U.S.C. 431(b)) is amended—

(1) by striking ''and'' at the end of paragraph (5); and

(2) by adding at the end the following:

''(7) an itemization of amounts spend by the labor organization for—

''(A) contract negotiation and administration;

''(B) organizing activities;

''(C) strike activities;

''(D) political activities;

''(E) lobbying and promotional activities; and

''(F) market recovery and job targeting programs; and

''(8) all transactions involving a single source or payee for each of the activities described in subparagraphs (A) through (F) of paragraph (7) in which the aggregate cost exceeds $10,000.''.

(b) COMPUTER NETWORK ACCESS.—Section 201(c) of the Labor Management Reporting and Disclosure Act of 1959 (29 U.S.C. 431(c)) is amended by inserting ''including availability of such reports via a public Internet site or another publicly accessible computer network,'' after ''its members,''.

(c) REPORTING BY SECRETARY.—Section 205(a) of the Labor Management Reporting and Disclosure Act of 1959 (29 U.S.C. 435(a)) is amended by inserting after ''and the Secretary'' the following: ''shall make the reports and documents filed pursuant to section 201(b) available via a public Internet site or another public accessible computer network. The Secretary''.

(Reimbursement by national parties for use of Air Force One for fundraising trips)

AMENDMENT OFFERED BY MR. HEFLEY OF COLORADO TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___REIMBURSEMENT FOR USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING

SEC. ___01. REQUIRING NATIONAL PARTIES TO REIMBURSE AT COST FOR USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

''REIMBURSEMENT BY POLITICAL PARTIES FOR USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING

''SEC. 323. (a) IN GENERAL.—If the President, Vice President, or the head of any executive department (as defined in section 101 of title 5, United States Code) uses Air Force One for transportation for any travel which includes a fundraising event for the benefit of any political committee of a national political party, such political committee shall reimburse the Federal Government for the actual costs incurred as a result of the use of Air Force One for the transportation of the individual involved.

''(b) AIR FORCE ONE DEFINED.—In subsection (a), the term 'Air Force One' means the airplane operated by the Air Force which has been specially configured to carry out the mission of transporting the President.''.

(Air Force One)

AMENDMENT OFFERED BY MR. HEFLEY OF COLORADO TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE —PROHIBITING USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING

SEC. 01. PROHIBITING USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

''PROHIBITING USE OF AIR FORCE ONE FOR POLITICAL FUNDRAISING

''SEC. 323. (a) IN GENERAL.—It shall be unlawful for any person to provide or offer to provide transportation on Air Force One in exchange for any money or other thing of value in support of any political party or the campaign for electoral office of any candidate, without regard to whether or not the money or thing of value involved is otherwise treated as a contribution under this title.

''(b) AIR FORCE ONE DEFINED.—In subsection (a), the term 'Air Force One' means the airplane operated by the Air Force which has been specially configured to carry out the mission of transporting the President.''.

(Prohibiting use of ''walking around money'' by campaigns)

AMENDMENT OFFERED BY MRS. NORTHUP OF KENTUCKY TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE—PROHIBITING USE OF WALKING AROUND MONEY

SEC.—01. PROHIBITING CAMPAIGNS FROM PROVIDING CURRENCY TO INDIVIDUALS FOR PURPOSES OF ENCOURAGING TURNOUT ON DATE OF ELECTION.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

''PROHIBITING USE OF CURRENCY TO PROMOTE ELECTION DAY TURNOUT

''SEC. 323. It shall be unlawful for any political committee to provide currency to any person for purposes of carrying out activities on the date of an election to encourage or assist individuals to appear at the polling place for the election.''.

(Reform of Motor Voter law)

AMENDMENT OFFERED BY MR. GOODLATTE OF VIRGINIA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—VOTER REGISTRATION REFORM

SEC. ___01. REPEAL OF REQUIREMENT FOR STATES TO PROVIDE FOR VOTER REGISTRATION BY MAIL.

(a) IN GENERAL.—Section 4(a) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–2) is amended—

(1) in paragraph (1), by adding ''and'' at the end;

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(b) CONFORMING AMENDMENTS RELATING TO UNIFORM MAIL VOTER REGISTRATION FORM.—(1) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.) is amended by striking section 9.

(2) Section 7(a)(6)(A) of such Act (42 U.S.C. 1973gg–5(a)(6)(A)) is amended by striking ''assistance—'' and all that follows and inserting the following: ''assistance a voter registration application form which meets the requirements described in section 5(c)(2) (other than subparagraph (A)), unless the applicant, in writing, declines to register to vote;''.

(c) OTHER CONFORMING AMENDMENTS.—(1) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.) is amended by striking section 6.

(2) Section 8(a)(5) of such Act (42 U.S.C. 1973gg–6(a)(5)) is amended by striking ''5, 6, and 7'' and inserting ''5 and 7''.

SEC. ___02. REQUIRING APPLICANTS REGISTERING TO VOTE TO PROVIDE CERTAIN ADDITIONAL INFORMATION.

(a) SOCIAL SECURITY NUMBER.—

(1) IN GENERAL.—Section 5(c)(2) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–3(c)(2)) is amended—

(A) by striking ''and'' at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting ''; and''; and

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

''(F) shall require the applicant to provide the applicant's Social Security number.''.

(2) CONFORMING AMENDMENT.—Section 5(c)(2)(A) of such Act (42 U.S.C. 1973gg–3(c)(2)(A)) is amended by inserting after ''subparagraph (C)'' the following: '', or the information described in subparagraph (F)''.

(3) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1999, and shall apply with respect to applicants registering to vote in elections for Federal office on or after such date.

(b) ACTUAL PROOF OF CITIZENSHIP.—

(1) REGISTRATION WITH APPLICATION FOR DRIVER'S LICENSE.—Section 5(c) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–3(c)) is amended by adding at the end the following new paragraph:

''(3) The voter registration portion of an application for a State motor vehicle driver's license shall not be considered to be completed unless the applicant provides to the appropriate State motor vehicle authority proof that the applicant is a citizen of the United States.''.

(2) REGISTRATION WITH VOTER REGISTRATION AGENCIES.—Section 7(a) of such Act (42 U.S.C. 1973gg–5(a)) is amended by adding at the end the following new paragraph:

''(8) A voter registration application received by a voter registration agency shall not be considered to be completed unless the applicant provides to the agency proof that the applicant is a citizen of the United States.''.

(3) CONFORMING AMENDMENT.—Section 8(a)(5)(A) of such Act (42 U.S.C. 1973gg–6(a)(5)(A)) is amended by striking the semicolon and inserting the following: '', including the requirement that the applicant provide proof of citizenship;''.

(4) NO EFFECT ON ABSENT UNIFORMED SERVICES AND OVERSEAS VOTERS.—Nothing in the National Voter Registration Act of 1993 (as amended by this subsection) may be construed to require any absent uniformed services voter or overseas voter under the Uniformed and Overseas Citizens Absentee Voting Act to provide any evidence of citizenship in order to register to vote (other than any evidence which may otherwise be required under such Act).

SEC. ___03. REMOVAL OF CERTAIN REGISTRANTS FROM OFFICIAL LIST OF ELIGIBLE VOTERS.

(a) IN GENERAL.—Section 8(d) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6(d)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph:

''(3)(A) At the option of the State, a State may remove the name of a registrant from the official list of eligible voters in elections for Federal office on the ground that the registrant has changed residence if—

''(i) the registrant has not voted or appeared to vote (and, if necessary, correct the registrar's record of the registrant's address) in an election during the period beginning on the day after the date of the second previous general election for Federal office held prior to the date the confirmation notice described in subparagraph (B) is sent and ending on the date of such notice;

''(ii) the registrant has not voted or appeared to vote (and, if necessary, correct the registrar's record of the registrant's address) in any of the first two general elections for Federal office held after the confirmation notice described in subparagraph (B) is sent; and

''(iii) during the period beginning on the date the confirmation notice described in subparagraph (B) is sent and ending on the date of the second general election for Federal office held after the date such notice is sent, the registrant has failed to notify the State in response to the notice that the registrant did not change his or her residence, or changed residence but remained in the registrar's jurisdiction.

''(B) A confirmation notice described in this subparagraph is a postage prepaid and pre-addressed return card, sent by forwardable mail, on which a registrant may state his or her current address, together with information concerning how the registrant can continue to be eligible to vote if the registrant has changed residence to a place outside the registrar's jurisdiction and a statement that the registrant may be removed from the official list of eligible voters if the registrant does not respond to the notice (during the period described in subparagraph (A)(iii)) by stating that the registrant did not change his or her residence, or changed residence but remained in the registrar's jurisdiction.''.

(b) CONFORMING AMENDMENT.—Section 8(i)(2) of such Act (42 U.S.C. 1973gg–6(d)) is amended by inserting ''or subsection (d)(3)'' after ''subsection (d)(2)''.

SEC. ___04. PERMITTING STATE TO REQUIRE VOTERS TO PRODUCE ADDITIONAL INFORMATION PRIOR TO VOTING.

(a) PHOTOGRAPHIC IDENTIFICATION.—Section 8 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i) the following new subsection:

''(j) PERMITTING STATES TO REQUIRE VOTERS TO PRODUCE PHOTO IDENTIFICATION.—A State may require an individual to produce a valid photographic identification before receiving a ballot (other than an absentee ballot) for voting in an election for Federal office.''.

(b) SIGNATURE.—Section 8 of such Act (42 U.S.C. 1973gg–6), as amended by subsection (a), is further amended—

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following new subsection:

''(k) PERMITTING STATES TO REQUIRE VOTERS TO PROVIDE SIGNATURE.—A State may require an individual to provide the individual's signature (in the presence of an election official at the polling place) before receiving a ballot for voting in an election for Federal office, other than an individual who is unable to provide a signature because of illiteracy or disability.''.

SEC. ___05. REPEAL OF REQUIREMENT THAT STATES PERMIT REGISTRANTS CHANGING RESIDENCE TO VOTE AT POLLING PLACE FOR FORMER ADDRESS.

Section 8(e)(2) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6(e)(2)) is amended—

(1) by striking ''(2)(A)'' and inserting ''(2)''; and

(2) by striking ''election, at the option of the registrant—'' and all that follows and inserting the following: ''election shall be permitted to correct the voting records for purposes of voting in future elections at the appropriate polling place for the current address and, if permitted by State law, shall be permitted to vote in the present election, upon confirmation by the registrant of the new address by such means as are required by law.''.

SEC. ___06. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to elections for Federal office occurring after December 1999.

(Photo ID requirement for voting)

AMENDMENT OFFERED BY MR. WICKER OF MISSISSIPPI TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—PHOTO IDENTIFICATION REQUIREMENT FOR VOTERS

SEC. ___01. PERMITTING STATE TO REQUIRE VOTERS TO PRODUCE PHOTOGRAPHIC IDENTIFICATION.

Section 8 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i) the following new subsection:

''(i) PERMITTING STATES TO REQUIRE VOTERS TO PRODUCE PHOTO IDENTIFICATION.—A State may require an individual to produce a valid photographic identification before receiving a ballot for voting in an election for Federal office.''.

(Enhancing enforcement of campaign finance law)

AMENDMENT OFFERED BY MR. SNOWBARGER OF KANSAS TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—ENHANCING ENFORCEMENT OF CAMPAIGN LAW

SEC. ___01. ENHANCING ENFORCEMENT OF CAMPAIGN FINANCE LAW.

(a) MANDATORY IMPRISONMENT FOR CRIMINAL CONDUCT.—Section 309(d)(1)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(d)(1)(A)) is amended—

(1) in the first sentence, by striking ''shall be fined, or imprisoned for not more than one year, or both'' and inserting ''shall be imprisoned for not fewer than 1 year and not more than 10 years''; and

(2) by striking the second sentence.

(b) CONCURRENT AUTHORITY OF ATTORNEY GENERAL TO BRING CRIMINAL ACTIONS.—Section 309(d) of such Act (2 U.S.C. 437g(d)) is amended by adding at the end the following new paragraph:

''(4) In addition to the authority to bring cases referred pursuant to subsection (a)(5), the Attorney General may at any time bring a criminal action for a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to actions brought with respect to elections occurring after January 1999.

(Ban on party coordination of soft money for issue advocacy by candidates receiving presidential campaign funds)

AMENDMENT OFFERED BY MR. WHITFIELD OF KENTUCKY TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—BAN ON COORDINATED SOFT MONEY ACTIVITIES BY PRESIDENTIAL CANDIDATES

SEC. ___01. BAN ON COORDINATION OF SOFT MONEY FOR ISSUE ADVOCACY BY PRESIDENTIAL CANDIDATES RECEIVING PUBLIC FINANCING.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection:

''(f) BAN ON COORDINATION OF SOFT MONEY FOR ISSUE ADVOCACY.—

''(1) IN GENERAL.—No candidate for election to the office of President or Vice President who is certified to receive amounts from the Presidential Election Campaign Fund under this chapter or chapter 96 may coordinate the expenditure of any funds for issue advocacy with any political party unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act of 1971.

''(2) ISSUE ADVOCACY DEFINED.—In this section, the term 'issue advocacy' means any activity carried out for the purpose of influencing the consideration or outcome of any Federal legislation or the issuance or outcome of any Federal regulations, or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations (without regard to whether the activity is carried out for the purpose of influencing any election for Federal office).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

(Requiring 50 percent of contributions to come from local individual residents)

AMENDMENT OFFERED BY MR. CALVERT OF CALIFORNIA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—RESTRICTIONS ON NONRESIDENT FUNDRAISING

SEC. ___01. LIMITING AMOUNT OF CONGRESSIONAL CANDIDATE CONTRIBUTIONS FROM INDIVIDUALS NOT RESIDING IN DISTRICT OR STATE INVOLVED.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

''(i)(1) A candidate for the office of Senator or the office of Representative in, or Delegate or Resident Commissioner to, the Congress may not accept contributions with respect to an election from persons other than local individual residents totaling in excess of the aggregate amount of contributions accepted from local individual residents (as determined on the basis of the information reported under section 304(d)).

''(2) In determining the amount of contributions accepted by a candidate for purposes of this subsection, the amounts of any contributions made by a political committee of a political party shall be allocated as follows:

''(A) 50 percent of such amounts shall be deemed to be a contributions from local individual residents.

''(B) 50 percent of such amounts shall be deemed to be contributions from persons other than local individual residents.

''(3) As used in this subsection, the term 'local individual resident' means—

''(A) with respect to an election for the office of Senator, an individual who resides in the State involved; and

''(B) with respect to an election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, an individual who resides in the congressional district involved.''.

(b) REPORTING REQUIREMENTS.—Section 304 of such Act (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(d) Each principal campaign committee of a candidate for the Senate or the House of Representatives shall include the following information in the first report filed under subsection (a)(2) which covers the period which begins 19 days before an election and ends 20 days after the election:

''(1) The total contributions received by the committee with respect to the election involved from local individual residents (as defined in section 315(i)(3)), as of the last day of the period covered by the report.

''(2) The total contributions received by the committee with respect to the election involved from all persons, as of the last day of the period covered by the report.''.

(c) PENALTY FOR VIOLATION OF LIMITS.—Section 309(d) of such Act (2 U.S.C. 437g(d)) is amended by adding at the end the following new paragraph:

''(4)(A) Any candidate who knowingly and willfully accepts contributions in excess of any limitation provided under section 315(i) shall be fined an amount equal to the greater of 200 percent of the amount accepted in excess of the applicable limitation or (if applicable) the amount provided in paragraph (1)(A).

''(B) Interest shall be assessed against any portion of a fine imposed under subparagraph (A) which remains unpaid after the expiration of the 30-day period which begins on the date the fine is imposed.''.

(Posting names of certain Air Force One passengers on Internet)

AMENDMENT OFFERED BY MR. SALMON OF ARIZONA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—POSTING NAMES OF CERTAIN AIR FORCE ONE PASSENGERS ON INTERNET

SEC. ___01. REQUIREMENT THAT NAMES OF PASSENGERS ON AIR FORCE ONE AND AIR FORCE TWO BE MADE AVAILABLE THROUGH THE INTERNET.

(a) IN GENERAL.—The President shall make available through the Internet the name of any non-Government person who is a passenger on an aircraft designated as Air Force One or Air Force Two not later than 30 days after the date that the person is a passenger on such aircraft.

(b) EXCEPTION.—Subsection (a) shall not apply in a case in which the President determines that compliance with such subsection would be contrary to the national security interests of the United States. In any such case, not later than 30 days after the date that the person whose name will not be made available through the Internet was a passenger on the aircraft, the President shall submit to the chairman and ranking member of the Permanent Select Committee on Intelligence of the House of Representatives and of the Select Committee on Intelligence of the Senate—

(1) the name of the person; and

(2) the justification for not making such name available through the Internet.

(c) DEFINITION OF PERSON.—As used in this Act, the term ''non-Government person'' means a person who is not an officer or employee of the United States, a member of the Armed Forces, or a Member of Congress.

(Ban on disbursements of soft money by foreign nationals)

AMENDMENT OFFERED BY MR. STEARNS OF FLORIDA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—BAN ON SOFT MONEY OF FOREIGN NATIONALS

SEC. ___01. BAN ON DISBURSEMENTS OF SOFT MONEY BY FOREIGN NATIONALS.

(a) PROHIBITION ON DISBURSEMENTS BY FOREIGN NATIONALS FOR POLITICAL PARTIES AND INDEPENDENT EXPENDITURES.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) in the heading, by striking ''CONTRIBUTIONS'' and inserting ''DISBURSEMENTS'';

(2) in subsection (a), by striking ''contribution'' each place it appears and inserting ''disbursement''; and

(3) in subsection (a), by striking the semicolon and inserting the following: '', including any disbursement to a political committee of a political party and any disbursement for an independent expenditure;''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to disbursements made on or after the date of the enactment of this Act.

(Partial removal of contribution limits for candidates with opponents making large amounts of personal expenditures)

AMENDMENT OFFERED BY MR. ROHRABACHER OF CALIFORNIA TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. PARTIAL REMOVAL OF LIMITATIONS ON CONTRIBUTIONS TO CANDIDATES WHOSE OPPONENTS USE LARGE AMOUNTS OF PERSONAL FUNDS.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

''(i)(1) If a candidate for Federal office makes contributions or expenditures from the personal funds of the candidate totaling more than $1,000 with respect to an election, the candidate shall so notify the Commission and each other candidate in the election. The notification shall be made in writing within 48 hours after the contribution or expenditure involved is made.

''(2) In any case described in paragraph (1), any person who is otherwise permitted under this Act to make contributions to such other candidate may make contributions in excess of any otherwise applicable limitation on such contributions, to the extent that the total of such excess contributions accepted by such other candidate does not exceed the total of contributions or expenditures from personal funds referred to in paragraph (1).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to elections occurring after January 1999.

___

(Ballot access rights)

AMENDMENT OFFERED BY MR. PAUL OF TEXAS TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—BALLOT ACCESS RIGHTS

SEC. ___01. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress makes the following findings:

(1) Voting participation in the United States is lower than in any other advanced industrialized democracy.

(2) The rights of eligible citizens to seek election to office, vote for candidates of their choice and associate for the purpose of taking part in elections, including the right to create and develop new political parties, are fundamental in a democracy. The rights of citizens to participate in the election process, provided in and derived from the first and fourteenth amendments to the Constitution, have consistently been promoted and protected by the Federal Government. These rights include the right to cast an effective vote and the right to associate for the advancement of political beliefs, which includes the ''constitutional right . . . to create and develop new political parties.'' Norman v. Reed, 502 U.S. 279, 112 S.Ct. 699 (1992). It is the duty of the Federal Government to see that these rights are not impaired in elections for Federal office.

(3) Certain restrictions on access to the ballot impair the ability of citizens to exercise these rights and have a direct and damaging effect on citizens' participation in the electoral process.

(4) Many States unduly restrict access to the ballot by nonmajor party candidates and nonmajor political parties by means of such devices as excessive petition signature requirements, insufficient petitioning periods, unconstitutionally early petition filing deadlines, petition signature distribution criteria, and limitations on eligibility to circulate and sign petitions.

(5) Many States require political parties to poll an unduly high number of votes or to register an unduly high number of voters as a precondition for remaining on the ballot.

(6) In 1983, the Supreme Court ruled unconstitutional an Ohio law requiring a nonmajor party candidate for President to qualify for the general election ballot earlier than major party candidates. This Supreme Court decision, Anderson v. Celebrezze, 460 U.S. 780 (1983) has been followed by many lower courts in challenges by nonmajor parties and candidates to early petition filing deadlines. See, e.g., Stoddard v. Quinn, 593 F. Supp. 300 (D.Me. 1984); Cripps v. Seneca County Board of Elections, 629 F. Supp. 1335 (N.D.Oh. 1985); Libertarian Party of Nevada v. Swackhamer, 638 F. Supp. 565 (D. Nev. 1986); Cromer v. State of South Carolina, 917 F.2d 819 (4th Cir. 1990); New Alliance Party of Alabama v. Hand, 933 F. 2d 1568 (11th Cir. 1991).

(7) In 1996, 34 States required nonmajor party candidates for President to qualify for the ballot before the second major party national convention (Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, and Wyoming). Twenty-six of these States required nonmajor party candidates to qualify before the first major party national convention (Arizona, California, Colorado, Connecticut Florida, Georgia, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Hampshire, New Jersey, North Carolina, Oklahoma, Pennsylvania, South Carolina, South Dakota, Texas, Washington, and West Virginia).

(8) Under present law, in 1996, nonmajor party candidates for President were required to obtain at least 701,089 petition signatures to be listed on the ballots of all 50 States and the District of Columbia—28 times more signatures than the 25,500 required of Democratic Party candidates and 13 times more signatures than the 54,250 required of Republican Party candidates. To be listed on the ballot in all 50 States and the District of Columbia with a party label, nonmajor party candidates for President were required to obtain approximately 651,475 petition signatures and 89,186 registrants. Thirty-two of the 41 States that hold Presidential primaries required no signatures of major party candidates for President (Arkansas, California, Colorado, Connecticut, Florida, Georgia, Idaho, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin). Only three States required no signatures of nonmajor party candidates for President (Arkansas, Colorado, and Louisiana; Colorado and Louisiana, however, required a $500 filing fee).

(9) Under present law, the number of petition signatures required by the States to list a major party candidate for Senate on the ballot in 1996 ranged from zero to 15,000. The number of petition signatures required to list a nonmajor party candidate for Senate ranged from zero to 196,788. Thirty-one States required no signatures of major party candidates for Senate (Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, Texas, Utah, Washington, West Virginia, Wyoming). Only one State required no signatures of nonmajor party candidates for Senate, provided they were willing to be listed on the ballot without a party label (Louisiana, although a $600 filing fee was required, and to run with a party label, a candidate was required to register 111,121 voters into his or her party).

(10) Under present law, the number of petition signatures required by the States to list a major party candidate for Congress on the ballot in 1996 ranged from zero to 2,000. The number of petition signatures required to list a nonmajor party candidate for Congress ranged from zero to 13,653. Thirty-one States required no signatures of major party candidates for Congress (Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, Texas, Utah, Washington, West Virginia, Wyoming). Only one State required no signatures of nonmajor party candidates for Congress, provided they are willing to be listed on the ballot without a party label (Louisiana, although a $600 filing fee was required).

(11) Under present law, in 1996, eight States required additional signatures to list a nonmajor party candidate for President on the ballot with a party label (Alabama, Arizona, Idaho, Kansas, Nebraska, North Dakota, Ohio, Tennessee). Thirteen States required additional signatures to list a nonmajor party candidate for Senate or Congress on the ballot with a party label (Alabama, Arizona, Arkansas, California, Idaho, Hawaii, Kansas, Louisiana, North Dakota, Nebraska, Ohio, Oregon, Tennessee). Two of these States (Ohio and Tennessee) required 5,000 signatures and 25 signatures, respectively, to list a nonmajor party candidate for President or Senate on the ballot in 1996, but required 33,463 signatures and 37,179 signatures, respectively, to list the candidate on the ballot with her or his party label. One State (California) required a nonmajor party to have 89,006 registrants in order to have its candidate for President listed on the ballot with a party label.

(12) Under present law, in 1996 one State (California) required nonmajor party candidates for President or Senate to obtain 147,238 signatures in 105 days, but required major party candidates for Senate to obtain only 65 signatures in 105 days, and required no signatures of major party candidates for President. Another State (Texas) required nonmajor party candidates for President or Senate to obtain 43,963 signatures in 75 days, and required no signatures of major party candidates for President or Senate.

(13) Under present law, in 1996, seven States required nonmajor party candidates for President or Senate to collect a certain number or percentage of their petition signatures in each congressional district or in a specified number of congressional districts (Michigan, Missouri, Nebraska, New Hampshire, New York, North Carolina, Virginia). Only three of these States impose a like requirement on major party candidates for President or Senate (Michigan, New York, Virginia).

(14) Under present law, in 1996, 20 States restricted the circulation of petitions for nonmajor party candidates to residents of those States (California, Colorado, Connecticut, District of Columbia, Idaho, Illinois, Kansas, Michigan, Missouri, Nebraska, Nevada, New Jersey, New York, Ohio, Pennsylvania, South Dakota, Texas, Virginia, West

Virginia, Wisconsin). Two States restricted the circulation of petitions for nonmajor party candidates to the county or congressional district where the circulator lives (Kansas and Virginia).

(15) Under present law, in 1996, three States prohibited people who voted in a primary election from signing petitions for nonmajor party candidates (Nebraska, New York, Texas, West Virginia). Twelve States restricted the signing of petitions to people who indicate intent to support or vote for the candidate or party (California, Delaware, Hawaii, Illinois, Indiana, Maryland, New Jersey, New York, North Carolina, Ohio, Oregon, Utah). Five of these 12 States required no petitions of major party candidates (Delaware, Maryland, North Carolina, Oregon, Utah), and only one of the six remaining States restricted the signing of petitions for major party candidates to people who indicate intent to support or vote for the candidate or party (New Jersey).

(16) In two States (Louisiana and Maryland), no nonmajor party candidate for Senate has qualified for the ballot since those States' ballot access laws have been in effect.

(17) In two States (Georgia and Louisiana), no nonmajor party candidate for the United States House of Representatives has qualified for the ballot since those States' ballot access laws have been in effect.

(18) Restrictions on the ability of citizens to exercise the rights identified in this subsection have disproportionately impaired participation in the electoral process by various groups, including racial minorities.

(19) The establishment of fair and uniform national standards for access to the ballot in elections for Federal office would remove barriers to the participation of citizens in the electoral process and thereby facilitate such participation and maximize the rights identified in this subsection.

(20) The Congress has authority, under the provisions of the Constitution of the United States in sections 4 and 8 of article I, section 1 of article II, article VI, the thirteenth, fourteenth, and fifteenth amendments, and other provisions of the Constitution of the United States, to protect and promote the exercise of the rights identified in this subsection.

(b) PURPOSES.—The purposes of this title are—

(1) to establish fair and uniform standards regulating access to the ballot by eligible citizens who desire to seek election to Federal office and political parties, bodies, and groups which desire to take part in elections for Federal office; and

(2) to maximize the participation of eligible citizens in elections for Federal office.

SEC. ___02. BALLOT ACCESS RIGHTS.

(a) IN GENERAL.—An individual shall have the right to be placed as a candidate on, and to have such individual's political party, body, or group affiliation in connection with such candidacy placed on, a ballot or similar voting materials to be used in a Federal election, if—

(1) such individual presents a petition stating in substance that its signers desire such individual's name and political party, body or group affiliation, if any, to be placed on the ballot or other similar voting materials to be used in the Federal election with respect to which such rights are to be exercised;

(2) with respect to a Federal election for the office of President, Vice President, or Senator, such petition has a number of signatures of persons qualified to vote for such office equal to one-tenth of one percent of the number of persons who voted in the most recent previous Federal election for such office in the State, or 1,000 signatures, whichever is greater;

(3) with respect to a Federal election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, such petition has a number of signatures of persons qualified to vote for such office equal to one-half of one percent of the number of persons who voted in the most recent previous Federal election for such office, or, if there was no previous Federal election for such office, 1,000 signatures;

(4) with respect to a Federal election the date of which was fixed 345 or more days in advance, such petition was circulated during a period beginning on the 345th day and ending on the 75th day before the date of the election; and

(5) with respect to a Federal election the date of which was fixed less than 345 days in advance, such petition was circulated during a period established by the State holding the election, or, if no such period was established, during a period beginning on the day after the date the election was scheduled and ending on the tenth day before the date of the election, provided, however, that the number of signatures required under paragraph (2) or (3) shall be reduced by 1/270 for each day less than 270 in such period.

(b) SPECIAL RULE.—An individual shall have the right to be placed as a candidate on, and to have such individual's political party, body, or group affiliation in connection with such candidacy placed on, a ballot or similar voting materials to be used in a Federal election, without having to satisfy any requirement relating to a petition under subsection (a), if that or another individual, as a candidate of that political party, body, or group, received one percent of the votes cast in the most recent general Federal election for President or Senator in the State.

(c) SAVINGS PROVISION.—Subsections (a) and (b) shall not apply with respect to any State that provides by law for greater ballot access rights than the ballot access rights provided for under such subsections.

SEC. ___03. RULEMAKING.

The Attorney General shall make rules to carry out this title.

SEC. ___04. GENERAL DEFINITIONS.

As used in this title—

(1) the term ''Federal election'' means a general or special election for the office of—

(A) President or Vice President;

(B) Senator; or

(C) Representative in, or Delegate or Resident Commissioner to, the Congress;

(2) the term ''State'' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States;

(3) the term ''individual'' means an individual who has the qualifications required by law of a person who holds the office for which such individual seeks to be a candidate;

(4) the term ''petition'' includes a petition which conforms to section ___02(a)(1) and upon which signers' addresses and/or printed names are required to be placed;

(5) the term ''signer'' means a person whose signature appears on a petition and who can be identified as a person qualified to vote for an individual for whom the petition is circulated, and includes a person who requests another to sign a petition on his or her behalf at the time when, and at the place where, the request is made;

(6) the term ''signature'' includes the incomplete name of a signer, the name of a signer containing abbreviations such as first or middle initial, and the name of a signer preceded or followed by titles such as ''Mr.'', ''Ms.'', ''Dr.'', ''Jr.'', or ''III''; and

(7) the term ''address'' means the address which a signer uses for purposes of registration and voting.

(Participation by presidential candidates in debates with candidates with broad-based support)

AMENDMENT OFFERED BY MR. PAUL OF TEXAS TO THE AMENDMENTS OFFERED BY MR. PAUL

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE —DEBATE REQUIREMENTS FOR PRESIDENTIAL CANDIDATES

SEC. ___01. REQUIREMENT THAT CANDIDATES WHO RECEIVE CAMPAIGN FINANCING FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND AGREE NOT TO PARTICIPATE IN MULTICANDIDATE FORUMS THAT EXCLUDE CANDIDATES WITH BROAD-BASED PUBLIC SUPPORT.

(a) IN GENERAL.—In addition to the requirements under subtitle H of the Internal Revenue Code of 1986, in order to be eligible to receive payments from the Presidential Election Campaign Fund, a candidate shall agree in writing not to appear in any multicandidate forum with respect to the election involved unless the following individuals are invited to participate in the multicandidate forum:

(1) Each other eligible candidate under such subtitle.

(2) Each individual who is qualified in at least 40 States for the ballot for the office involved.

(b) ENFORCEMENT.—If the Federal Election Commission determines that a candidate—

(1) has received payments from the Presidential Election Campaign Fund; and

(2) has violated the agreement referred to in subsection (a);

the candidate shall pay to the Treasury an amount equal to the amount of the payments so made.

(c) DEFINITION.—As used in this title, the term ''multicandidate forum'' means a meeting—

(1) consisting of a moderated reciprocal discussion of issues among candidates for the same office; and

(2) to which any other person has access in person or through an electronic medium.

AMENDMENT OFFERED BY MR. DELAY OF TEXAS TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

Amendment No. 81: Add at the end of section 301(20) of the Federal Election Campaign Act of 1971, as added by section 201(b) of the substitute, the following:

(C) Exception for legislative alerts: The term ''express advocacy'' does not include any communication which—

(i) deals solely with an issue or legislation which is or may be the subject of a vote in the Senate or House of Representatives; and

(ii) encourages an individual to contact an elected representative in Congress in order to exercise the right protected under the first amendment of the Constitution to inform the representative of the individual's views on such issue or legislation.

AMENDMENT OFFERED BY MR. DELAY OF TEXAS TO THE AMENDMENT OFFERED BY SHAYS/MEEHAN

TITLE ___—SENSE OF CONGRESS REGARDING APPOINTMENT OF INDEPENDENT COUNSEL

SEC. ___01. SENSE OF CONGRESS REGARDING APPOINTMENT OF INDEPENDENT COUNSEL TO INVESTIGATE CLINTON ADMINISTRATION.

(a) FINDINGS.—Congress finds as follows:

(1) The Independent Counsel Act (chapter 40 of title 28, United States Code) was designed to avoid even the appearance of impropriety in the consideration of allegations

of misconduct by high-level Executive Branch officials.

(2) Section 591(a)(1) of title 28, United States Code, requires the Attorney General of the United States to conduct a preliminary investigation whenever the Attorney General finds specific and credible evidence that a covered person ''may have violated any Federal criminal law . . .''.

(3) Under the statute (28 U.S.C. 591(b)), the President is a covered person.

(4) The bribery statute (chapter 11 of title 18, United States Code) prohibits Federal officials, including the President, from receiving any benefit in return for any official action.

(5) Numerous published reports describe circumstances that suggest that President Clinton may have received campaign contributions in return for official government actions he took on behalf of the contributors.

(6) Any such scheme may also violate other statutes including the following sections of title 18, United States Code: section 371 (conspiracy to defraud the United States), section 600 (promising of government benefits in return for political support), section 872 (extortion by government officials), and sections 1341, 1343, and 1346 (mail and wire fraud by defrauding the United States of honest services).

(7) On February 13, 1997, the Washington Post reported that the Department of Justice had obtained intelligence information that the government of the People's Republic of China had sought to direct contributions from foreign sources to the Democratic National Committee (''DNC'') before the 1996 presidential campaign.

(8) In March 1995, Johnny Chung, a Democratic National Committee trustee and a businessman from Torrance, California, brought six officials of the government of the People's Republic of China and its state-owned companies, including Hongye Zheng, Chairman of the China Council for the Promotion of International Trade, and Yang Zanzhong, President of China Petro-Chemical Corp., to hear the President give his regular Saturday radio address.

(9) On March 8, 1995, Johnny Chung came to the First Lady's office in the White House seeking various favors for the officials, including admission to the radio address.

(10) Aides to Mrs. Clinton, Margaret Williams and Evan Ryan, suggested that Mr. Chung could get the favors if he helped Mrs. Clinton with her debts to the DNC for holiday parties.

(11) The next day, Mr. Chung gave Ms. Williams a check for $50,000, and received a lunch in the White House mess, a picture with Mrs. Clinton, and admission to the radio address for himself and the officials. Id. Records indicate that on Friday, March 17, 1995, Mr. Chung donated $50,000 to the Democratic National Committee and on April 12, 1995, he donated an additional $125,000.

(12) In commenting on the solicitation in the White House by the First Lady's aides, Mr. Chung said, ''I see the White House is like a subway: You have to put in coins to open the gates.''

(13) On February 6, 1996, Wang Jun attended a coffee at the White House with President Clinton. Mr. Wang is the head of the state-owned company, China International Trade and Investment Corp. (''CITIC''), a $21,000,000,000 conglomerate, and its subsidiary Poly Technologies. Poly Technologies is the primary arms dealing company for the Chinese military. Mr. Wang gained access to the coffee through Charles Yah Lin Trie, an old Arkansas friend of President Clinton and Democratic Party fund-raiser.

(14) After the Wang visit came to public attention, President Clinton said he remembered ''literally nothing'' about the meeting, but he conceded that it was ''clearly inappropriate.''

(15) Mr. Trie had a number of interesting sources of funds. Among other things, in the spring of 1996, Mr. Trie delivered suspicious donations totaling $789,000 to the President's legal defense fund.

(16) Mr. Trie made the donations on three dates: March 21, 1996, $460,000; April 24, 1996, $179,000; and May 17, 1996, $150,000. These donations have now been returned. Recent reports reveal that most of this money came from members of a Taiwan-based religious sect, Suma Ching Hai. President and Mrs. Clinton knew about these suspicious donations at the time, and they concurred in efforts to conceal them until after the election. Notwithstanding that knowledge, President Clinton continued to grant favors to Mr. Trie.

(17) On April 19, 1996, President Clinton appointed Mr. Trie to the Commission on U.S. Pacific Trade and Investment Policy. On April 26, President Clinton signed a letter to Mr. Trie relating to U.S. policy in putting carriers in the Taiwan Straits.

(18) During 1995 and 1996, Mr. Trie received a series of wire transfers in amounts of $50,000 and $100,000 from the Chinese government's state-owned bank, the Bank of China.

(19) Recent Senate testimony reveals that Mr. Trie received $1,400,000 in wire transfers from abroad from 1994 through 1996. At least $220,000 of this money has been traced into the treasury of the DNC.

(20) Of the total Mr. Trie received from overseas, $905,000 came from Ng Lap Seng, a Macao-based businessman who was Trie's partner and who was also known as Mr. Wu. Mr. Ng is an adviser to the Chinese Communist government. Although he is a foreign national who cannot legally make donations to U.S. campaigns, he gave money through two employees to attend a dinner for big contributors with President Clinton on February 16, 1995.

(21) Returning to Mr. Wang's visit to the coffee with President Clinton, just four days before the meeting, Mr. Wang's arms trading company received special permission to import 100,000 assault weapons, along with millions of bullets, into the United States despite the assault weapons ban.

(22) On the day of the coffee, Democratic fund-raiser Ernest G. Green, another Arkansas friend of the President's, delivered a $50,000 donation to the Democratic National Committee. Mr. Green, a managing director at Lehman Brothers, had never before given such a large contribution to the Democratic Party. Mr. Wang used a letter of invitation written by Mr. Green to obtain a visa for Mr. Wang's trip to the White House for coffee. After delivering the check, Mr. Green met with Mr. Wang before Mr. Wang went to the White House.

(23) Several lengthy reports in the Chicago Tribune and the Washington Post detail the depths of Mr. Wang's international arms dealing activities.

(24) Beginning in the summer of 1994, Federal agents began an undercover sting investigation of Poly's efforts to smuggle weapons into the United States. On March 8, 1996, just a month after Mr. Wang's visit with President Clinton, the President of Poly's U.S. subsidiary, Robert Ma, sold his house in Atlanta and fled the country.

(25) On March 18, 1996, Federal agents surreptitiously seized a Poly shipment of 2,000 AK–47 assault rifles in Oakland, California. These weapons had left China on February 18 aboard a vessel belonging to another state-owned company, the Chinese Ocean Shipping Company (''COSCO''). Id. In May, Federal agents hastily shut down the operation when they learned that the Chinese had been tipped to its existence. The stories indicate that the Department is currently investigating to determine the source of the leak.

(26) Smuggling the weapons into the United States has not harmed the fortunes of COSCO. In April 1996, with the support of the Clinton Administration, COSCO signed a lease with the City of Long Beach, California to rent a now defunct navy base in Long Beach, California. In addition, the Clinton Administration has allowed COSCO's ships access to our most sensitive ports with one day's notice rather than the usual four, and it has given COSCO a $138,000,000 loan guarantee to build ships in Alabama. The Administration has made all of these concessions since the coffee with Mr. Wang. That COSCO participated in the shipment of illegal arms does not appear to have dampened the Administration's enthusiasm in any of these matters.

(27) These circumstances strongly suggest that there was a quid pro quo, and that the contributions from Mr. Chung, Mr. Green, and Mr. Trie, may have come from the Chinese government in return for the various government favors described. The President met directly with the Chinese officials whom Mr. Chung and Mr. Trie brought to the White House, and he knew about the suspicious circumstances of Mr. Trie's donations. If the President knew about a quid pro quo, he may have violated section 201 of title 18, United States Code, and the other statutes cited above.

(28) Mr. Chung has admitted that a large portion of the money he raised for the Democrats originated with the People's Liberation Army in China. He has identified the conduit as a Chinese aerospace executive, based in Hong Kong, who is also the daughter of General Liu Huaqing, who was China's top military commander at the time.

(29) Closely related to the allegations concerning the government of the People's Republic of China are the allegations relating to the Lippo Group.

(30) The Lippo Group (''Lippo'') is a multibillion dollar real estate and financial conglomerate based in Indonesia. The Riady family, an ethnic Chinese family living in Indonesia, owns and controls Lippo. The patriarch of the Riady family is Mochtar Riady. His son, James, has known President Clinton since the late 1970s when he interned with an investment bank in Little Rock, Arkansas. Since President Clinton began his first presidential campaign in 1991, members of the Riady family and Lippo's subsidiaries and executives have contributed more than $475,000 to the Democratic Party and its candidates. Lippo and the Riady family have numerous business interests in China and Hong Kong.

(31) In the early 1980s, John Huang, the former Commerce Department official at the center of this controversy, worked for Lippo in Little Rock at the Worthen Bank, in which Lippo had a large stake. In 1986, Mr. Huang moved to Los Angeles to help run the Lippo Bank, which has had a number of problems with banking regulators. In that role, he became Lippo's chief representative in the United States.

(32) Mr. Huang began raising illegal contributions for the Democratic Party as early as 1992. The recent Senate Governmental Affairs Committee hearings revealed that in August 1992 Huang gave a $50,000 contribution to the DNC through Hip Hing Holdings, a U.S.-based Lippo subsidiary. He then requested and received reimbursement for the contribution from Lippo's Indonesian headquarters. Senator Lieberman said, ''Here's a clear trail of foreign money coming into United States elections.''

(33) Maria L. Haley, a presidential aide, recommended Mr. Huang for a job at the Commerce Department in October 1993. In January 1994 while he was still an employee of Lippo, Mr. Huang received a top-secret security clearance without a full background check.

(34) On July 18, 1994, he became principal deputy assistant secretary for international economic policy in the Department of Commerce. He received a $780,000 severance payment from Lippo. David J. Rothkopf, the deputy undersecretary of commerce, and Jeffrey Garten, the undersecretary, expressed misgivings about Mr. Huang's suitability for the job. In recent Senate testimony, Mr. Garten said that Mr. Huang was ''totally unqualified'' for the job and that ''he should not be involved in China at all.'' Mr. Rothkopf has said his complaints were to no avail and that he ''got the distinct impression that this was a done deal. But it was unclear to me at what level it was done.'' The Riadys have apparently boasted to friends that they placed Huang in the job.

(35) The Commerce Department now acknowledges that Mr. Huang attended 109 meetings at which classified information might have been discussed. Phone records show that Mr. Huang made at least 70 calls to Lippo during his tenure at the Commerce Department, many of which occurred near the time of the briefings. He had contacts with officials of the Chinese Embassy. Mr. Huang also maintained an office at a private investment firm with Arkansas and Asian ties, Stephens, Inc., where he made numerous phone calls and received faxes and packages during his Commerce tenure.

(36) Mr. Huang began to raise money illegally before he even left the Commerce Department, and the DNC attributed these donations to his wife. In mid-1995, he expressed an interest in going to the DNC to raise funds. DNC Chairman Don Fowler did not think that the move was necessary and took no action.

(37) In September 1995, the President and his closest adviser, Bruce Lindsey, met with Mr. Huang, James Riady, and C. Joseph Giroir, a former law partner of Mrs. Clinton's who was close to the Riadys, regarding Mr. Huang's desire to move to the DNC. The President has acknowledged that he had a role in recommending Mr. Huang for the DNC job, and other former Clinton aides with ties to Asia, including Mr. Giroir, apparently mounted a concerted campaign to bring about Mr. Huang's job there. In December 1995, Mr. Huang moved to the DNC with the title finance vice chairman. After Mr. Huang left, his Commerce Department position was eliminated. Id. Strangely, however, Mr. Huang kept his security clearance long after he left the Commerce Department.

(38) At the DNC, Mr. Huang embarked on an unusual fund-raising drive in which he raised $3,400,000. Of that amount, the DNC has identified $1,600,000 as being illegal, improper, or sufficiently suspect that it will be sent back to donors. Many of these donations came from fictitious donors and, in at least one case, a dead person. One of the most egregious examples is the $450,000 donated by Arief and Soraya Wiriadinata. Until December 1995 when they left the country, this couple lived in a modest townhouse in Northern Virginia. Mr. Wiriadinata was a landscape architect, and Mrs. Wiriadinata was a homemaker. Despite these modest circumstances, the couple wrote 23 separate checks to the DNC totaling $425,000 from November 9, 1995 until June 7, 1996. However, Mrs. Wiriadinata is the daughter of Hashim Ning, a partner of the Riadys in owning Lippo. Democratic Party officials had concerns about the legality of Mr. Huang's activities as early as July 1996, but they did not remove him from his job.

(39) The Wiriadinatas are not the only conduit through which Lippo money apparently benefited the Clintons. Existing Independent Counsel Kenneth Starr is reportedly investigating whether payments that Lippo made to Webster Hubbell were made to buy his silence in the Whitewater investigation. These payments reportedly included paying for a vacation the Hubbell family took to Bali in the summer of 1994.

(40) One possible quid pro quo for this Lippo money is the possibility that Lippo bought Mr. Huang's position in the Commerce Department as well as the accompanying access to classified information. In addition, during September 1996, the President announced that he was designating 1.7 million acres of Utah wilderness as a national monument. This designation abruptly halted plans to mine the world's largest deposit of clean-burning ''super compliance coal.'' The President made this move with virtually no consultation with people in the affected area of Utah. The second largest deposit of this kind of coal lies in Indonesia, and critics suggest that the designation was made as a reward to Lippo.

(41) If there was a quid pro quo for Mr. Huang's position at the Department of Commerce, his access to classified information, the designation of the national monument, or all three, then there may have been a violation of section 201 of title 18, United States Code, and the other statutes mentioned above. The President's direct involvement includes his participation in the September 1995 meeting at which Mr. Huang expressed his desire to go to the DNC and his participation in the designation of the national monument.

(42) On February 20, 1997, the Wall Street Journal reported that a Miami computer executive with close ties to the government of Paraguay had a number of dealings with the White House.

(43) The computer executive, Mark Jimenez, is a native of the Philippines, and he is a legal resident of the United States. His company, Future Tech International, sells computer parts in Latin America, including Paraguay. He apparently has close ties to the government of Paraguay. Since 1993, Mr. Jimenez and his employees have given over $800,000 to the Democratic Party, the Clinton-Gore campaign, and other private initiatives linked to President Clinton, like the effort to restore the President's birthplace. Mr. Jimenez has visited the White House at least twelve times since April 1994, and on at least seven of these occasions, he met personally with President Clinton.

(44) The timing of some of these donations strongly suggests that there was a quid pro quo. From February through April 1996, Mr. Jimenez and various officials of the government of Paraguay met in the White House with presidential adviser and former chief of staff, Mack McLarty regarding threats to the government of Paraguay. On March 1, the State Department recommended that Paraguay no longer receive American foreign aid because it had not done enough to stop drug smuggling. President Clinton then issued a waiver allowing the continued aid despite the State Department's finding.

(45) On April 22, the military of Paraguay attempted a coup against the President of Paraguay, Carlos Wasmosy. The White House allowed President Wasmosy to take refuge in the American embassy in Asuncion and took other steps to support him. The same day, Mr. Jimenez gave $100,000 to the Democratic National Committee.

(46) In addition, during February 1996, Mr. Jimenez attended one of the now famous White House coffees. Ten days later, he gave another $50,000 to the Democratic National Committee. On September 30, 1996, Mr. Jimenez arranged for a White House tour for a number of business friends who were attending a meeting of the International Monetary Fund. The same day, he sent $75,000 to the Democratic National Committee. The close coincidence of Mr. Jimenez's contributions with the favors he received is highly suspicious. The President's direct involvement includes his calling President Wasmosy to assure him of American support with respect to the coup attempt and his direct participation in the coffee in question. If there was a quid pro quo involved, these incidents may violate section 201, of title 18, United States Code, and the other statutes cited above.

(47) In February, the Washington Post reported that on September 4, 1995, First Lady Hillary Clinton stopped over in Guam on the way to the International Women's Conference in Beijing, China. She ended her visit with a shrimp cocktail buffet hosted by Guam's governor, Carl T. Gutierrez, a Democrat. Three weeks later, a Guam Democratic Party official arrived in Washington with more than $250,000 in campaign contributions. Within six additional months, Governor Gutierrez and a small group of Guam businessmen had produced an additional $132,000 for the Clinton-Gore reelection campaign and $510,000 in soft money for the Democratic National Committee.

(48) In December 1996, the Administration circulated a memo that would have granted a long sought reversal of the Administration's position on labor and immigration issues in a way that was very favorable to businesses in Guam. The story gave the following reason for this shift: Some officials also attribute the administration's support for the reversal to the money raised for the president's reelection campaign. One senior U.S. official said ''the political side'' of her agency had informed her that the administration's shift was linked to campaign contributions. ''We had always opposed giving Guam authority over its own immigration,'' the official said. ''But when that $600,000 was paid, the political side switched.'' United States officials from three other agencies added that they too had been told that the policy shift was linked to money.

(49) Various published reports discussed below indicate that the President was intimately involved in the details of fundraising for his reelection. As President, he ultimately controls the Administration's policy. Thus, if these assertions prove true, a reasonable mind could reach the conclusion that the President knew about and condoned a direct quid pro quo for these policy changes. If he did so, such a quid pro quo would violate section 201 of title 18, United States Code, and the other statutes.

(50) At least three criminal statutes address the use of the White House for political purposes. Section 600 of title 18, United States Code, prohibits the promising of any government benefit in return for any kind of political support or activity. Section 607 of title 18, United States Code, prohibits the solicitation or receipt of contributions for Federal campaigns in Federal buildings. Section 641 of title 18, United States Code, prohibits the conversion of government property to personal use.

(51) During January 1995, President Clinton authorized a plan under which the Democratic National Committee would hold fundraising coffees and sleepovers in the White House. During 1995 and 1996, the White House held 103 of the coffees. To quote the New York Times, ''[t]he documents [released by the White House] themselves make explicit that the coffees were fund-raising vehicles * * * [they] also make clear that the Democratic National Committee was virtually being run out of the Clinton White House despite the President's initial efforts after the

election to draw a distinction between his own campaign organization and the committee.'' The Los Angeles Times said: ''The result [of the coffees] was not only lucrative, according to some involved, but occasionally bizarre—sometimes the political equivalent of the bar scene in the film 'Star Wars.' The president and vice president were surrounded by rotating casts of rich strangers with unknown motives or backgrounds, including some from faraway places who didn't speak the same language.''

(52) These reports indicate that Democratic Party fundraising staff have said in interviews that they directly sold access to the President and Vice President at the coffees. The New York Times quoted a Democratic fund-raiser's response to a White House denial that there was a requirement for a coffee participant to make a contribution as: ''I don't understand why they continue to deny the obvious.'' The Los Angeles Times quoted a fund-raiser as saying: ''I can't count the number of times I heard, 'Tell them they can come to a coffee with the President for $50,000.' It was routine. In fact, when [staffers] said, 'This is all I can raise,' they were told, 'Keep selling the coffees.'''

(53) In short, these reports make it obvious that the coffees, which President Clinton directly authorized, were nothing but fundraising events. According to the New York Times, the Democratic National Committee raised $27,000,000 from 350 people who attended White House coffees.

(54) President Clinton also entertained 938 overnight guests in the White House during his first term. This, too, became a means of fund-raising. When the original plan to hold coffees was suggested to the President, he not only approved it, but also originated the idea of the overnight visits. On the memo suggesting the plan, he wrote, ''Ready to start overnights right away * * * get other names at 100,000 or more, 50,000 or more.'' The New York Times reports that these guests donated $10,210,840 to the Democratic Party from 1992 through 1996. The New York Times said about the President's notation: ''The memorandum to Mr. Clinton and the response from the President show Mr. Clinton's direct involvement in authorizing the fund-raising practices that are now under scrutiny by Congressional and Justice Department investigators.''

(55) At least one document the White House has recently released strongly suggests that President Clinton made telephone solicitations from the White House. The document, written by Vice President Gore's deputy chief of staff, David Strauss, contained the notation, ''BC made 15 to 20 calls, raised 500K.'' Other documents indicate that presidential adviser Harold Ickes also proposed that President Clinton make fund-raising calls. President Clinton has said that he cannot remember whether he made the calls. If President Clinton made these calls from the White House, he may have violated section 607 of title 18, United States Code.

(56) The circumstances of the coffees, the sleepovers, and the possible telephone calls strongly suggest that the President may have violated the following provisions of title 18, United States Code: (1) Section 600 (by promising government access in return for campaign contributions). (2) Section 607 (by soliciting campaign contributions in Federal buildings). (3) Section 641 (by converting Federal property, the White House, to his own private use).

(57) Under the independent counsel statute (28 U.S.C. 591(b)(1)), the Vice President is a covered person. Based on published reports, the Attorney General has sufficient grounds to investigate whether Vice President Gore may have violated Federal criminal law.

(58) On April 29, 1996, Vice President Gore attended a fund-raiser at the Hsi Lai Buddhist Temple in Hacienda Heights, California. This fund-raiser, organized by John Huang, brought in $140,000 for the Democratic National Committee. When the event first came to public attention, the Vice President claimed that the event was intended as ''community outreach'' and that ''[i]t was not billed as a fund-raiser'' and ''no money was offered or collected or raised''. The Vice President made this claim notwithstanding reports that checks changed hands at the event and that virtually everyone else involved thought the event was an explicit fund-raiser.

(59) In January 1997, the Vice President admitted that he knew the event was ''a finance-related event.'' A month later, documents released by the White House revealed that the Vice President's staff had referred to the event as a fund-raiser in making inquiries to the National Security Council staff about the appropriateness of the event. The National Security Council advised that he should proceed with ''great, great caution'', but the Vice President proceeded to go forward with the fund-raiser. This event is apparently now under investigation by a Federal grand jury.

(60) Hsi Lai Temple, if it is like most religious organizations, is a tax-exempt organization under section 501(c) of the Internal Revenue Code. If that is so, it may not ''participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.'' (section 501(c)(3) of the Internal Revenue Code of 1986). By holding such an obviously political event, the Temple violated its tax exempt status, and Vice President Gore actively and enthusiastically participated in that violation. That action may violate section 371 of title 18, United States Code, as a conspiracy to defraud the United States by interfering with the functions of the Internal Revenue Service, and section 7201 of the Internal Revenue Code of 1986, as an evasion of the income tax.

(61) On March 2, 1997, the Washington Post reported that Vice President Gore ''played the central role in soliciting millions of dollars in campaign money for the Democratic Party during the 1996 election'' and that he was known as the administration's ''solicitor-in-chief''. The next day, Vice President Gore held a nationally televised press conference in which he admitted making numerous calls from the White House in which he solicited campaign contributions. He said that he made these phone calls with a DNC credit card. His spokesman later clarified that the card that he used belonged to the Clinton-Gore reelection campaign (statement of Vice Presidential Communications Director Lorraine Voles, dated March 5, 1997). The use of the Clinton-Gore credit card suggests that the solicitations were for ''hard money'' which goes to campaigns rather than ''soft money'' which goes to parties.

(62) Documents that the White House has only recently released reveal that Vice President Gore made 86 fundraising calls from his White House Office. More disturbingly, these new records reveal that Vice President Gore made twenty of these calls at taxpayer expense. This use of taxpayer resources for private political uses may violate section 641 of title 18, United States Code, (converting government property to personal use).

(63) On its face, the conduct to which Vice President Gore admitted appears to be a clear violation of section 607 of title 18, United States Code. Section 607 of such title makes it unlawful for ''any person to solicit * * * any [campaign] contribution * * * in any room or building occupied in the discharge of official [government] duties * * * ''.

(64) Recent reports have completely undermined these two claims with respect to the calls that Vice President Gore made. The Washington Post on September 3, 1997, reported that at least $120,000 of the money he solicited from his office was ''hard money.''. As the story notes, ''The [hard] money came from at least eight of 46 donors the vice president telephoned from his White House office to ask for contributions to the Democratic National Committee, according to records released by Gore's office.'' The American people should be are deeply troubled by the length of time it took for these records, which have apparently been under Vice President Gore's control, to come to public light. With respect to the second claim, no person has made any claim that Vice President Gore made these calls from any place other than his office, an area clearly covered under section 607 of title 18, United States Code, as a ''room or building occupied in the discharge of official [government] duties.''

(65) The Washington Post also asserted that Vice President Gore made the telephone solicitations ''with an urgency and directness that several large Democratic donors said they found heavy-handed and inappropriate.'' The story quoted two donors as follows: ''Another donor recalled Gore phoning and saying, 'I've been tasked with raising $2,000,000 by the end of the week, and you're on my list.' The donor, a well-known business figure who declined to allow his name to be used, gave about $100,000 to the DNC. The donor said he felt pressured by the Vice President's sales pitch. 'It's revolting,' said the donor, a longtime Gore friend and supporter. Yet another major business figure and donor who was solicited by Gore, and who refused to be identified, said, 'There were elements of a shakedown in the call. It was very awkward. For a Vice President, particularly this Vice President who has real power and is the heir apparent, to ask for money gave me no choice. I have so much business that touches on the Federal Government—the Telecommunications Act, tax policy, regulations galore.' The donor said he immediately sent a check for $100,000 to the DNC.''.

(66) Although the Vice President may legally solicit campaign contributions, it is not legal to exert pressure based on government actions. The bribery statute (section 201(b)(2) of title 18, United States Code) provides that a public official may not ''directly or indirectly, corruptly demand[], [or] seek[], * * * anything of value personally or for any other person or entity, in return for: (A) being influenced in the performance of any official act; * * *'' In addition, section 872 of title 18, United States Code, prohibits government officials from engaging in acts of extortion. Through the use of untoward pressure, the Vice President may have violated these statutes.

(67) Sufficient specific and credible evidence exists to warrant a preliminary investigation under the independent counsel statute.

(68) The fund-raising disclosures have blown up into the biggest scandal in the United States since Watergate.

(69) This situation is paralyzing the President, preoccupying Congress and fueling public cynicism about our political system.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Attorney General Reno should apply immediately for the appointment of an independent counsel to investigate alleged criminal conduct relating to the financing of the 1996 Federal elections.

(Voter eligibility verification system; H.R. 1428)

AMENDMENT OFFERED BY MR. PETERSON OF PENNSYLVANIA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—VOTER ELIGIBILITY CONFIRMATION PROGRAM

SEC. ___01. VOTER ELIGIBILITY PILOT CONFIRMATION PROGRAM.

(a) IN GENERAL.—The Attorney General, in consultation with the Commissioner of Social Security, shall establish a pilot program to test a confirmation system through which they—

(1) respond to inquiries, made by State and local officials (including voting registrars) with responsibility for determining an individual's qualification to vote in a Federal, State, or local election, to verify the citizenship of an individual who has submitted a voter registration application, and

(2) maintain such records of the inquiries made and verifications provided as may be necessary for pilot program evaluation.

In order to make an inquiry through the pilot program with respect to an individual, an election official shall provide the name, date of birth, and social security account number of the individual.

(b) INITIAL RESPONSE.—The pilot program shall provide for a confirmation or a tentative nonconfirmation of an individual's citizenship by the Commissioner of Social Security as soon as practicable after an initial inquiry to the Commissioner.

(c) SECONDARY VERIFICATION PROCESS IN CASE OF TENTATIVE NONCONFIRMATION.—In cases of tentative nonconfirmation, the Attorney General shall specify, in consultation with the Commissioner of Social Security and the Commissioner of the Immigration and Naturalization Service, an available secondary verification process to confirm the validity of information provided and to provide a final confirmation or nonconfirmation as soon as practicable after the date of the tentative nonconfirmation.

(d) DESIGN AND OPERATION OF PILOT PROGRAM.—

(1) IN GENERAL.—The pilot program shall be designed and operated—

(A) to apply in, at a minimum, the States of California, New York, Texas, Florida, and Illinois;

(B) to be used on a voluntary basis, as a supplementary information source, by State and local election officials for the purpose of assessing, through citizenship verification, the eligibility of an individual to vote in Federal, State, or local elections;

(C) to respond to an inquiry concerning citizenship only in a case where determining whether an individual is a citizen is—

(i) necessary for determining whether the individual is eligible to vote in an election for Federal, State, or local office; and

(ii) part of a program or activity to protect the integrity of the electoral process that is uniform, nondiscriminatory, and in compliance with the Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.);

(D) to maximize its reliability and ease of use, consistent with insulating and protecting the privacy and security of the underlying information;

(E) to permit inquiries to be made to the pilot program through a toll-free telephone line or other toll-free electronic media;

(F) subject to subparagraph (I), to respond to all inquiries made by authorized persons and to register all times when the pilot program is not responding to inquiries because of a malfunction;

(G) with appropriate administrative, technical, and physical safeguards to prevent unauthorized disclosure of personal information, including violations of the requirements of section 205(c)(2)(C)(viii) of the Social Security Act;

(H) to have reasonable safeguards against the pilot program's resulting in unlawful discriminatory practices based on national origin or citizenship status, including the selective or unauthorized use of the pilot program.

(2) USE OF EMPLOYMENT ELIGIBILITY CONFIRMATION SYSTEM.—To the extent practicable, in establishing the confirmation system under this section, the Attorney General, in consultation with the Commissioner of Social Security, shall use the employment eligibility confirmation system established under section 404 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Public Law 104–208; 110 Stat. 3009–664).

(e) RESPONSIBILITIES OF THE COMMISSIONER OF SOCIAL SECURITY.—As part of the pilot program, the Commissioner of Social Security shall establish a reliable, secure method which compares the name, date of birth, and social security account number provided in an inquiry against such information maintained by the Commissioner, in order to confirm (or not confirm) the correspondence of the name, date of birth, and number provided and whether the individual is shown as a citizen of the United States on the records maintained by the Commissioner (including whether such records show that the individual was born in the United States). The Commissioner shall not disclose or release social security information (other than such confirmation or nonconfirmation).

(f) RESPONSIBILITIES OF THE COMMISSIONER OF THE IMMIGRATION AND NATURALIZATION SERVICE.—As part of the pilot program, the Commissioner of the Immigration and Naturalization Service shall establish a reliable, secure method which compares the name and date of birth which are provided in an inquiry against information maintained by the Commissioner in order to confirm (or not confirm) the validity of the information provided, the correspondence of the name and date of birth, and whether the individual is a citizen of the United States.

(g) UPDATING INFORMATION.—The Commissioner of Social Security and the Commissioner of the Immigration and Naturalization Service shall update their information in a manner that promotes the maximum accuracy and shall provide a process for the prompt correction of erroneous information, including instances in which it is brought to their attention in the secondary verification process described in subsection (c) or in any action by an individual to use the process provided under this subsection upon receipt of notification from an election official under subsection (i).

(h) LIMITATION ON USE OF THE PILOT PROGRAM AND ANY RELATED SYSTEMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, nothing in this section shall be construed to permit or allow any department, bureau, or other agency of the United States Government to utilize any information, data base, or other records assembled under this section for any other purpose other than as provided for under this section.

(2) NO NATIONAL IDENTIFICATION CARD.—Nothing in this section shall be construed to authorize, directly or indirectly, the issuance or use of national identification cards or the establishment of a national identification card.

(3) NO NEW DATA BASES.—Nothing in this section shall be construed to authorize, directly or indirectly, the Attorney General and the Commissioner of Social Security to create any joint computer data base that is not in existence on the date of the enactment of this Act.

(i) ACTIONS BY ELECTION OFFICIALS UNABLE TO CONFIRM CITIZENSHIP.—

(1) IN GENERAL.—If an election official receives a notice of final nonconfirmation under subsection (c) with respect to an individual, the official—

(A) shall notify the individual in writing; and

(B) shall inform the individual in writing of the individual's right to use—

(i) the process provided under subsection (g) for the prompt correction of erroneous information in the pilot program; or

(ii) any other process for establishing eligibility to vote provided under State or Federal law.

(2) REGISTRATION APPLICANTS.—In the case of an individual who is an applicant for voter registration, and who receives a notice from an official under paragraph (1), the official may (subject to, and in a manner consistent with, State law) reject the application (subject to the right to reapply), but only if the following conditions have been satisfied:

(A) The 30-day period beginning on the date the notice was mailed or otherwise provided to the individual has elapsed.

(B) During such 30-day period, the official did not receive adequate confirmation of the citizenship of the individual from—

(i) a source other than the pilot program established under this section; or

(ii) such pilot program, pursuant to a new inquiry to the pilot program made by the official upon receipt of information (from the individual or through any other reliable source) that erroneous or incomplete material information previously in the pilot program has been updated, supplemented, or corrected.

(3) INELIGIBLE VOTER REMOVAL PROGRAMS.—In the case of an individual who is registered to vote, and who receives a notice from an official under paragraph (1) in connection with a program to remove the names of ineligible voters from an official list of eligible voters, the official may (subject to, and in a manner consistent with, State law) remove the name of the individual from the list (subject to the right to submit another voter registration application), but only if the following conditions have been satisfied:

(A) The 30-day period beginning on the date the notice was mailed or otherwise provided to the individual has elapsed.

(B) During such 30-day period, the official did not receive adequate confirmation of the citizenship of the individual from a source described in clause (i) or (ii) of paragraph (2)(B).

(j) AUTHORITY TO USE SOCIAL SECURITY ACCOUNT NUMBERS.—Any State (or political subdivision thereof) may, for the purpose of making inquiries under the pilot program in the administration of any voter registration law within its jurisdiction, use the social security account numbers issued by the Commissioner of Social Security, and may, for such purpose, require any individual who is or appears to be affected by a voter registration law of such State (or political subdivision thereof) to furnish to such State (or political subdivision thereof) or any agency thereof having administrative responsibility for such law, the social security account number (or numbers, if the individual has more than one such number) issued to the individual by the Commissioner.

(k) TERMINATION AND REPORT.—The pilot program shall terminate September 30, 2001. The Attorney General and the Commissioner of Social Security shall each submit to the Committee on the Judiciary and the Committee on Ways and Means of the House of Representatives and to the Committee on the Judiciary and the Committee on Finance of the Senate reports on the pilot program

not later than December 31, 2001. Such reports shall—

(1) assess the degree of fraudulent attesting of United States citizenship in jurisdictions covered by the pilot program;

(2) assess the appropriate staffing and funding levels which would be required for full, permanent, and nationwide implementation of the pilot program, including the estimated total cost for national implementation per individual record;

(3) include an assessment by the Commissioner of Social Security of the advisability and ramifications of disclosure of social security account numbers to the extent provided for under the pilot program and upon full, permanent, and nationwide implementation of the pilot program;

(4) assess the degree to which the records maintained by the Commissioner of Social Security and the Commissioner of the Immigration and Naturalization Service are able to be used to reliably determine the citizenship of individuals who have submitted voter registration applications;

(5) assess the effectiveness of the pilot program's safeguards against unlawful discriminatory practices;

(6) include recommendations on whether or not the pilot program should be continued or modified; and

(7) include such other information as the Attorney General or the Commissioner of Social Security may determine to be relevant.

SEC. ___02. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department of Justice, for the Immigration and Naturalization Service, for fiscal years beginning on or after October 1, 1998, such sums as are necessary to carry out the provisions of this title.

___

(Citizenship verification for voters)

AMENDMENT OFFERED BY MR. BARR OF GEORGIA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—CITIZENSHIP VERIFICATION FOR VOTING

SEC. ___01. REQUIRING VOTERS TO PROVIDE PROOF OF CITIZENSHIP.

Section 8 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i) the following new subsection:

''(i) REQUIRING VOTERS TO PROVIDE PROOF OF CITIZENSHIP.—A State may not provide any individual with a ballot for voting in an election for Federal office unless the individual provides the State election official involved with verification of the individual's status as a citizen of the United States, including—

''(1) the city, State or province (if any), and nation of the individual's birth; and

''(2) if the individual is a naturalized citizen of the United States, the date on which the individual was admitted to citizenship and the location where the admission to citizenship occurred (if applicable).''.

___

(Prohibiting bilingual voting materials)

AMENDMENT OFFERED BY MR. BARR OF GEORGIA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE —PROHIBITING BILINGUAL VOTING MATERIALS

SEC. 01. PROHIBITING USE OF BILINGUAL VOTING MATERIALS.

(a) PROHIBITION.—

(1) IN GENERAL.—No State may provide voting materials in any language other than English.

(2) VOTING MATERIALS DEFINED.—In this subsection, the term ''voting materials'' means registration or voting notices, forms, instructions, assistance, or other materials or information relating to the electoral process, including ballots.

(b) CONFORMING AMENDMENTS.—The Voting Rights Act of 1965 is amended—

(1) by striking section 203 (42 U.S.C. 1973aa—la);

(2) in section 204 (42 U.S.C. 1973aa–2), by striking '', or 203''; and

(3) in section 205 (42 U.S.C. 1973aa–3), by striking '', 202, or 203'' and inserting ''or 202''.

___

(Expulsion of House members convicted of receiving prohibited foreign contributions)

AMENDMENT OFFERED BY MR. TRAFICANT OF OHIO TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—EXPULSION PROCEEDINGS FOR HOUSE MEMBERS RECEIVING FOREIGN CONTRIBUTIONS

SEC. ___01. PERMITTING CONSIDERATION OF PRIVILEGED MOTION TO EXPEL HOUSE MEMBER ACCEPTING ILLEGAL FOREIGN CONTRIBUTION.

(a) IN GENERAL.—If a Member of the House of Representatives is convicted of a violation of section 319 of the Federal Election Campaign Act of 1971 (or any successor provision prohibiting the solicitation, receipt, or acceptance of a contribution from a foreign national), it shall be in order in the House at any time after the fifth legislative day following the date on which the Member is convicted to move to expel the Member from the House of Representatives. A motion to expel a Member under the authority of this subsection shall be highly privileged. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(b) EXERCISE OF RULEMAKING AUTHORITY.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives, and as such it is deemed a part of the rules of the House of Representatives, and it supersedes other rules only to the extent that it is inconsistent therewith; and

(2) with full recognition of the constitutional right of the House of Representatives to change the rule at any time, in the same manner and to the same extent as in the case of any other rule of the House of Representatives.

___

(To provide that background music shall not be taken into account in determining whether a communication constitutes express advocacy)

AMENDMENT OFFERED BY MR. DELAY TO THE AMENDMENT OFFERED BY MR. SHAYS

At the appropriate place, insert the following:

SEC. . EXPRESS ADVOCACY DETERMINED WITHOUT REGARD TO BACKGROUND MUSIC.

Section 301 (2 U.S.C. 431) is amended by adding at the end the following new paragraph:

''(20) In determining whether any communication by television or radio broadcast constitutes express advocacy for purposes of this Act, there shall not be taken into account any background music used in such broadcast.''

AMENDMENT OFFERED BY MR. DELAY TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

Amendment No. 84 In section 301(8) of the Federal Election Campaign Act of 1971, as amended by section 205(a)(1)(B) of the substitute, add at the end the following:

(F) For purposes of subparagraph (C), no communication with a Senator or Member of the House of Representatives (including the staff of a Senator or Member) regarding any pending legislative matter, regarding the position of any Senator or Member on such manner, may be construed to establish coordination with a candidate.

___

AMENDMENT #27 HAS BEEN WITHDRAWN BY THE AUTHOR

___

AMENDMENT OFFERED BY MR. DELAY TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

Amendment No. 83. In section 301(8)(C) of the Federal Election Campaign Act of 1971, as added by section 205(a)(1)(B) of the substitute, strike clause (vi) and redesignate clauses (viii) through (x) as clauses (vi) through (ix).

___

AMENDMENT OFFERED BY MR. DELAY TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

Amendment No. 84. In section 301(8) of the Federal Election Campaign Act of 1971, as amended by section 205(a)(1)(B) of the substitute, add at the end the following:

(F) For purposes of subparagraph (C), no communication with a Senator or Member of the House of Representatives (including the staff of a Senator or Member) regarding any pending legislative matter, including any survey, questionnaire, or written communication soliciting or providing information regarding the position of any Senator or Member on such manner, may be construed to establish coordination with a candidate.

___

(Prohibition against fundraising on Federal property)

AMENDMENT OFFERED BY MR. GUTKNECHT OF MINNESOTA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—PROHIBITING FUNDRAISING ON FEDERAL PROPERTY

SEC. ___01. PROHIBITION AGAINST POLITICAL FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—It shall be unlawful for any persons to solicit or receive a donation of money or other thing of value for a political committee or a candidate for Federal, State, or local office from a person who is located in a room or building, including by not limited to the White House, occupied in the discharge of official duties by an officer or employee of the United States. An individual who is an officer or employee of the Federal Government, including the President, Vice President, and Members of Congress, shall not solicit a donation of money or other thing of value for a political committee or candidate for Federal, State, or local office, while in any room or building, including but not limited to the White House, occupied in the discharge of official duties by an officer or employee of the United States, from any person.''.

(Replace Beck codification with paycheck protection provisions)

AMENDMENT OFFERED BY MR. BOB SCHAFFER OF COLORADO TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Strike section 501 and insert the following (and conform the table of contents accordingly):

SEC. 501. PROHIBITING INVOLUNTARY ASSESSMENT OF EMPLOYEE FUNDS FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

''(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activity in which the national bank or corporation is engaged; and

''(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activity in which the labor organization is engaged.

''(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time. Each entity collecting from or assessing amounts from an individual with an authorization in effect under such paragraph shall provide the individual with a statement that the individual may at any time revoke the authorization.

''(3) For purposes of this subsection, the term 'political activity' means any activity carried out for the purpose of influencing (in whole or in part) any election for Federal office or educating individuals about candidates for election for Federal office or any Federal legislation, law, or regulations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts collected or assessed on or after the date of the enactment of this Act.

(Reduced postage rates for principal campaign committees)

AMENDMENT OFFERED BY MR. HORN OF CALIFORNIA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—REDUCED POSTAGE RATES

SEC. ___01. REDUCED POSTAGE RATES FOR PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL CANDIDATES.

(a) IN GENERAL.—Section 3626(e)(2)(A) of title 39, United States Code, is amended by striking ''and the National Republican Congressional Committee'' and inserting ''the National Republican Congressional Committee, and the principal campaign committee of a candidate for election for the office of Senator or Representative in or Delegate or Resident Commissioner to the Congress''.

(b) LIMITING REDUCED RATE TO TWO PIECES OF MAIL PER REGISTERED VOTER.—Section 3626(e)(1) of such title is amended by striking the period at the end and inserting the following: '', except that in the case of a committee which is a principal campaign committee such rates shall apply only with respect to the election cycle involved and only to a number of pieces equal to the product of 2 times the number (as determined by the Postmaster General) of addresses (other than business possible delivery stops) in the congressional district involved (or, in the case of a committee of a candidate for election for the office of Senator, in the State involved).''.

(c) PRINCIPAL CAMPAIGN COMMITTEE DEFINED.—Section 3626(e)(2) of such title is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

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

''(D) the term 'principal campaign committee' has the meaning given such term in section 301(5) of the Federal Election Campaign Act of 1971.''.

(Limitation on contributions from PACs and parties)

AMENDMENT OFFERED BY MR. UPTON OF MICHIGAN TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title I the following new section (and conform the table of contents accordingly):

SEC. 104. LIMITATION ON CONTRIBUTIONS FROM PERSONS OTHER THAN INDIVIDUALS.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

''(i) A candidate for the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress may not accept contributions with respect to a reporting period for an election from persons other than individuals totaling in excess of the total of contributions accepted from individuals.''.

(Penalty for violation of foreign contribution ban)

AMENDMENT OFFERED BY MR. NICK SMITH OF MICHIGAN TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___—PENALTY FOR VIOLATION OF FOREIGN CONTRIBUTION BAN

SEC. ___01. PENALTY FOR VIOLATION OF PROHIBITION AGAINST FOREIGN CONTRIBUTIONS.

(a) IN GENERAL.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

''(b) Any person who violates subsection (a) shall be sentenced to a term of imprisonment which may not be less than 5 years or more than 20 years, fined in an amount not to exceed $1,000,000, or both.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring on or after the date of the enactment of this Act.

(Expedited review of allegations of FECA violations)

AMENDMENT OFFERED BY MR. SHADEGG OF ARIZONA TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. EXPEDITED COURT REVIEW OF CERTAIN ALLEGED VIOLATIONS OF FEDERAL ELECTION CAMPAIGN ACT OF 1971.

(a) IN GENERAL.—Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

''(d)(1) Notwithstanding any other provision of this section, if a candidate (or the candidate's authorized committee) believes that a violation described in paragraph (2) has been committed with respect to an election during the 90-day period preceding the date of the election, the candidate or committee may institute a civil action on behalf of the Commission for relief (including injunctive relief) against the alleged violator in the same manner and under the same terms and conditions as an action instituted by the Commission under subsection (a)(6), except that the court involved shall issue a decision regarding the action as soon as practicable after the action is instituted and to the greatest extent possible issue the decision prior to the date of the election involved.

''(2) A violation described in this paragraph is a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 relating to—

''(A) whether a contribution is in excess of an applicable limit or is otherwise prohibited under this Act; or

''(B) whether an expenditure is an independent expenditure under section 301(17).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to elections occurring after the date of the enactment of this Act.

AMENDMENT OFFERED BY MR. DELAY TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Strike section 301(20)(B) of the Federal Election Campaign Act of 1971, as added by section 201(b) of the substitute, and insert the following:

''(B) NONAPPLICATION TO PUBLICATIONS ON VOTING RECORDS.—The term 'express advocacy' shall not apply with respect to any printed communication which provides information or commentary on the voting record of, or positions on issues taken by, any individual holding Federal office or any candidate for election for Federal office, unless the communication contains explicit words expressly urging a vote for or against any identified candidate or political party.''.

(Requiring majority of House candidate funds to come from in-State individual residents)

AMENDMENT OFFERED BY MR. SHAW OF FLORIDA TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. REQUIRING MAJORITY OF AMOUNT OF CONTRIBUTIONS ACCEPTED BY HOUSE CANDIDATES TO COME FROM IN-STATE RESIDENTS.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

''(i)(1) With respect to each reporting period for an election, the total of contributions accepted by a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress from in-State individual residents shall be at least 50 percent of the total of contributions accepted from all sources.

''(2) As used in this subsection, the term 'in-State individual resident' means an individual who resides in the State in which the congressional district involved is located.''.

(Expedited consideration of constitutional amendment)

AMENDMENT OFFERED BY MS. KAPTUR OF OHIO TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for HR 2183)

Insert after section 602 the following new section (and redesignate the succeeding provisions and conform the table of contents accordingly):

SEC. 603. EXPEDITED CONSIDERATION OF CONSTITUTIONAL AMENDMENT.

(a) IN GENERAL.—If any provision of this Act or any amendment made by this Act is found unconstitutional by the Supreme Court, the provisions of section 2908 (other than subsection (a)) of the Defense Base Closure and Realignment Act of 1990 shall apply to the consideration of a joint resolution described in subsection (c) in the same manner as such provisions apply to a joint resolution described in section 2908(a) of such Act.

(b) SPECIAL RULES.—For purposes of applying subsection (a) with respect to such provisions, the following rules shall apply:

(1) Any reference to the Committee on Armed Services of the House of Representatives shall be deemed a reference to the Committee on the Judiciary of the House of Representatives and any reference to the Committee on Armed Services of the Senate shall be deemed a reference to the Committee on the Judiciary of the Senate.

(2) Any reference to the date on which the President transmits a report shall be deemed a reference to the date on which the Supreme Court finds a provision of this Act or an amendment made by this Act unconstitutional.

(c) CONSTITUTIONAL AMENDMENT DESCRIBED.—For purposes of subsection (a), a joint resolution described in this section is a joint resolution proposing the following text as an amendment to the Constitution of the United States:

''ARTICLE —

''SECTION 1. Congress shall have power to set reasonable limits on expenditures made in support of or in opposition to the nomination or election of any person to Federal office.

''SEC. 2. Each State shall have power to set reasonable limits on expenditures made in support of or in opposition to the nomination or election of any person to State office.

''SEC. 3. Congress shall have power to enforce this article by appropriate legislation.''.

___

(Restrictions on and regulation of foreign lobbying)

AMENDMENT OFFERED BY MS. KAPTUR OF OHIO TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ____—ETHICS IN FOREIGN LOBBYING

SEC. ___01. PROHIBITION OF CONTRIBUTIONS AND EXPENDITURES BY MULTICANDIDATE POLITICAL COMMITTEES OR SEPARATE SEGREGATED FUNDS SPONSORED BY FOREIGN-CONTROLLED CORPORATIONS AND ASSOCIATIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 441 et seq.) is amended by adding at the end the following new section:

''PROHIBITION OF CONTRIBUTIONS AND EXPENDITURES BY MULTICANDIDATE POLITICAL COMMITTEES SPONSORED BY FOREIGN-CONTROLLED CORPORATIONS AND ASSOCIATIONS

''SEC. 323. (a) IN GENERAL.—Notwithstanding any other provision of law—

''(1) no multicandidate political committee or separate segregated fund of a foreign-controlled corporation may make any contribution or expenditure with respect to an election for Federal office; and

''(2) no multicandidate political committee or separate segregated fund of a trade organization, membership organization, cooperative, or corporation without capital stock may make any contribution or expenditure with respect to an election for Federal office if 50 percent or more of the operating fund of the trade organization, membership organization, cooperative, or corporation without capital stock is supplied by foreign-controlled corporations or foreign nationals.

''(b) INFORMATION REQUIRED TO BE REPORTED.—The Commission shall—

''(1) require each multicandidate political committee or separate segregated fund of a corporation to include in the statement of organization of the multicandidate political committee or separate segregated fund a statement (to be updated annually and at any time when the percentage goes above or below 50 percent) of the percentage of ownership interest in the corporation that is controlled by persons other than citizens or nationals of the United States;

''(2) require each trade association, membership organization, cooperative, or corporation without capital stock to include in its statement of organization of the multicandidate political committee or separate segregated fund (and update annually) the percentage of its operating fund that is derived from foreign-owned corporations and foreign nationals; and

''(3) take such action as may be necessary to enforce subsection (a).

''(c) LIST OF ENTITIES FILING REPORTS.—The Commission shall maintain a list of the identity of the multicandidate political committees or separate segregated funds that file reports under subsection (b), including a statement of the amounts and percentage reported by such multicandidate political committees or separate segregated funds.

''(d) DEFINITIONS.—As used in this section—

''(1) the term 'foreign-owned corporation' means a corporation at least 50 percent of the ownership interest of which is controlled by persons other than citizens or nationals of the United States;

''(2) the term 'multicandidate political committee' has the meaning given that term in section 315(a)(4);

''(3) the term 'separate segregated fund' means a separate segregated fund referred to in section 316(b)(2)(C); and

''(4) the term 'foreign national' has the meaning given that term in section 319.''.

SEC. ___02. PROHIBITION OF CERTAIN ELECTION-RELATED ACTIVITIES OF FOREIGN NATIONALS.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

''(c) A foreign national shall not direct, dictate, control, or directly or indirectly participate in the decisionmaking process of any person, such as a corporation, labor organization, or political committee, with regard to such person's Federal or non-Federal election-related activities, such as decisions concerning the making of contributions or expenditures in connection with elections for any local, State, or Federal office or decisions concerning the administration of a political committee.''.

SEC. ___03. ESTABLISHMENT OF A CLEARINGHOUSE OF POLITICAL ACTIVITIES INFORMATION WITHIN THE FEDERAL ELECTION COMMISSION.

(a) ESTABLISHMENT.—There shall be established within the Federal Election Commission a clearinghouse of public information regarding the political activities of foreign principals and agents of foreign principals. The information comprising this clearinghouse shall include only the following:

(1) All registrations and reports filed pursuant to the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) during the preceding 5-year period.

(2) All registrations and reports filed pursuant to the Foreign Agents Registration Act, as amended (22 U.S.C. 611 et seq.), during the preceding 5-year period.

(3) The listings of public hearings, hearing witnesses, and witness affiliations printed in the Congressional Record during the preceding 5-year period.

(4) Public information disclosed pursuant to the rules of the Senate or the House of Representatives regarding honoraria, the receipt of gifts, travel, and earned and unearned income.

(5) All reports filed pursuant to title I of the Ethics in Government Act of 1978 (5 U.S.C. App.) during the preceding 5-year period.

(6) All public information filed with the Federal Election Commission pursuant to the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) during the preceding 5-year period.

(b) DISCLOSURE OF OTHER INFORMATION PROHIBITED.—The disclosure by the clearinghouse, or any officer or employee thereof, of any information other than that set forth in subsection (a) is prohibited, except as otherwise provided by law.

(c) DIRECTOR OF CLEARINGHOUSE.—(1) The clearinghouse shall have a Director, who shall administer and manage the responsibilities and all activities of the clearinghouse.

(2) The Director shall be appointed by the Federal Election Commission.

(3) The Director shall serve a single term of a period of time determined by the Commission, but not to exceed 5 years.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to conduct the activities of the clearinghouse.

SEC. ___04. DUTIES AND RESPONSIBILITIES OF THE DIRECTOR OF THE CLEARINGHOUSE.

(a) IN GENERAL.—It shall be the duty of the Director of the clearinghouse established under section ___03—

(1) to develop a filing, coding, and cross-indexing system to carry out the purposes of this Act (which shall include an index of all persons identified in the reports, registrations, and other information comprising the clearinghouse);

(2) notwithstanding any other provision of law, to make copies of registrations, reports, and other information comprising the clearinghouse available for public inspection and copying, beginning not later than 30 days after the information is first available to the public, and to permit copying of any such registration, report, or other information by hand or by copying machine or, at the request of any person, to furnish a copy of any such registration, report, or other information upon payment of the cost of making and furnishing such copy, except that no information contained in such registration or report and no such other information shall be sold or used by any person for the purpose of soliciting contributions or for any profitmaking purpose;

(3) to compile and summarize, for each calendar quarter, the information contained in such registrations, reports, and other information comprising the clearinghouse in a manner which facilitates the disclosure of political activities, including, but not limited to, information on—

(A) political activities pertaining to issues before the Congress and issues before the executive branch; and

(B) the political activities of individuals, organizations, foreign principals, and agents of foreign principals who share an economic, business, or other common interest;

(4) to make the information compiled and summarized under paragraph (3) available to the public within 30 days after the close of each calendar quarter, and to publish such information in the Federal Register at the earliest practicable opportunity;

(5) not later than 150 days after the date of the enactment of this Act and at any time thereafter, to prescribe, in consultation with the Comptroller General, such rules, regulations, and forms, in conformity with the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of section ___03 and this section in the most effective and efficient manner; and

(6) at the request of any Member of the Senate or the House of Representatives, to prepare and submit to such Member a study or report relating to the political activities of any person and consisting only of the information in the registrations, reports, and other information comprising the clearinghouse.

(b) DEFINITIONS.—As used in this section—

(1) the terms ''foreign principal'' and ''agent of a foreign principal'' have the meanings given those terms in section 1 of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611);

(2) the term ''issue before the Congress'' means the total of all matters, both substantive and procedural, relating to—

(A) any pending or proposed bill, resolution, report, nomination, treaty, hearing, investigation, or other similar matter in either the Senate or the House of Representatives or any committee or office of the Congress; or

(B) any pending action by a Member, officer, or employee of the Congress to affect, or attempt to affect, any action or proposed action by any officer or employee of the executive branch; and

(3) the term ''issue before the executive branch'' means the total of all matters, both substantive and procedural, relating to any pending action by any executive agency, or by any officer or employee of the executive branch, concerning—

(A) any pending or proposed rule, rule of practice, adjudication, regulation, determination, hearing, investigation, contract, grant, license, negotiation, or the appointment of officers and employees, other than appointments in the competitive service; or

(B) any issue before the Congress.

SEC. ___05. PENALTIES FOR DISCLOSURE.

Any person who discloses information in violation of section ___03(b), and any person who sells or uses information for the purpose of soliciting contributions or for any profitmaking purpose in violation of section ___04(a)(2), shall be imprisoned for a period of not more than 1 year, or fined in the amount provided in title 18, United States Code, or both.

SEC. ___06. AMENDMENTS TO THE FOREIGN AGENTS REGISTRATION ACT OF 1938, AS AMENDED.

(a) QUARTERLY REPORTS.—Section 2(b) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 612(b)), is amended in the first sentence by striking out '', within thirty days'' and all that follows through ''preceding six months' period'' and inserting in lieu thereof ''on January 31, April 30, July 31, and October 31 of each year, file with the Attorney General a supplement thereto on a form prescribed by the Attorney General, which shall set forth regarding the three-month periods ending the previous December 31, March 31, June 30, and September 30, respectively, or if a lesser period, the period since the initial filing,''.

(b) EXEMPTION FOR LEGAL REPRESENTATION.—Section 3(g) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 613(g)) is amended by adding at the end the following: ''A person may be exempt under this subsection only upon filing with the Attorney General a request for such exemption.''.

(c) CIVIL PENALTIES.—Section 8 of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 618), is amended by adding at the end thereof the following:

''(i)(1) Any person who is determined, after notice and opportunity for an administrative hearing—

''(A) to have failed to file a registration statement under section 2(a) or a supplement thereto under section 2(b),

''(B) to have omitted a material fact required to be stated therein, or

''(C) to have made a false statement with respect to such a material fact,

shall be required to pay a civil penalty in an amount not less than $2,000 or more than $5,000 for each violation committed. In determining the amount of the penalty, the Attorney General shall give due consideration to the nature and duration of the violation.

''(2)(A) In conducting investigations and hearings under paragraph (1), administrative law judges may, if necessary, compel by subpoena the attendance of witnesses and the production of evidence at any designated place or hearing.

''(B) In the case of contumacy or refusal to obey a subpoena lawfully issued under this paragraph and, upon application by the Attorney General, an appropriate district court of the United States may issue an order requiring compliance with such subpoena and any failure to obey such order may be punished by such court as a contempt thereof.''.

(Coverage of voter guides posted on the Internet under voter guide exception)

AMENDMENT OFFERED BY MRS. SMITH OF WASHINGTON TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

In section 301(20)(B) of the Federal Election Campaign Act of 1971, as added by section 201(a) of the substitute, strike ''a printed communication'' and insert ''a communication which is in printed form or posted on the Internet and''.

(Application of voter guide exception to guides covering 1 candidate)

AMENDMENT OFFERED BY MRS. SMITH OF WASHINGTON TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

In section 301(20)(B)(i) of the Federal Election Campaign Act of 1971, as added by section 201(a) of the substitute, strike ''2 or more candidates'' and insert ''1 or more candidates''.

(Permitting clearly identified opinions of publisher to appear on voting guides)

AMENDMENT OFFERED BY MRS. SMITH OF WASHINGTON TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

In section 301(20)(B)(i) of the Federal Election Campaign Act of 1971, as added by section 201(a) of the substitute, insert before the semicolon the following: ''(other than information describing the opinion of the person publishing the communication on the record or position involved, if the information is clearly identified as describing the opinion of such person)''.

(Clarification that submission and collection of voter guides is not a coordinated contribution or expenditure)

AMENDMENT OFFERED BY MRS. SMITH OF WASHINGTON TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

In section 301(8) of the Federal Election Campaign Act of 1971, as amended by section 205(a)(1)(B) of the substitute, add at the end the following:

''(F) Nothing in subparagraph (A)(iii) or subparagraph (D) may be construed to treat the submission by any person of a communication described in paragraph (20)(B) to a candidate, a candidate's authorized committee, or an agent acting on behalf of a candidate or authorized committee, or the collection by any person of such a communication from a candidate, a candidate's authorized committee, or an agent acting on behalf of a candidate or authorized committee as an item of value provided in coordination with a candidate for purposes of subparagraph (A)(iii).''.

(Clarification that lobbying candidates who hold elective office is not coordinated campaign activity)

AMENDMENT OFFERED BY MRS. SMITH OF WASHINGTON TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

In section 301(8)(C)(v) of the Federal Election Campaign Act of 1971, as added by section 205(a)(1)(B) of the substitute, strike ''Federal office,'' and insert the following: ''Federal office (other than any discussion consisting of a lobbying contact under the Lobbying Disclosure Act of 1995 in the case of a candidate holding Federal office or consisting of similar lobbying activity in the case of a candidate holding State or local elective office)''.

(Repeal treatment of all shared vendor services as coordinated campaign activity)

AMENDMENT OFFERED BY MRS. SMITH OF WASHINGTON TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

In section 301(8)(C) of the Federal Election Campaign Act of 1971, as added by section 205(a)(1)(B) of the substitute, strike clause (vi) and redesignate the succeeding provisions accordingly.

In section 301(8)(C)(vi) of the Federal Election Campaign Act of 1971, as added by section 205(a)(1)(B) of the substitute (and as so redesignated), strike ''clauses (i) through (vi)'' in clause (vii) and insert ''clauses (i) through (v)''.

(Penalty for violation of foreign contribution ban)

AMENDMENT OFFERED BY MR. SMITH OF MICHIGAN TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. PENALTY FOR VIOLATION OF PROHIBITION AGAINST FOREIGN CONTRIBUTIONS.

(a) IN GENERAL.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

''(b)(1) Except as provided in paragraph (2), notwithstanding any other provision of this title any person who violates subsection (a) shall be sentenced to a term of imprisonment which may not be less than 5 years or more than 20 years, fined in an amount not to exceed $1,000,000, or both.

''(2) Paragraph (1) shall not apply with respect to any violation of subsection (a) arising from a contribution or donation made by an individual who is lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring on or after the date of the enactment of this Act.

(Permitting permanent resident aliens serving in the Armed Forces to make contributions)

AMENDMENT OFFERED BY MR. STEARNS OF FLORIDA TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. PERMITTING PERMANENT RESIDENT ALIENS SERVING IN ARMED FORCES TO MAKE CONTRIBUTIONS.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended by adding at the end the following new subsection:

''(c) Notwithstanding any other provision of this title, an individual who is lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act) and who is a member of the Armed Forces (including a reserve component of the Armed Forces) shall not be subject to the prohibition under this section.''.

(Prohibiting conspiracy to violate presidential campaign spending limits)

AMENDMENT OFFERED BY MR. STEARNS OF FLORIDA TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. CONSPIRACY TO VIOLATE PRESIDENTIAL CAMPAIGN SPENDING LIMITS.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection:

''(g) PROHIBITING CONSPIRACY TO VIOLATE LIMITS.—

''(1) VIOLATION OF LIMITS DESCRIBED.—If a candidate for election to the office of President or Vice President who receives amounts from the Presidential Election Campaign Fund under chapter 95 or 96 of the Internal Revenue Code of 1986, or the agent of such a candidate, seeks to avoid the spending limits applicable to the candidate under such chapter or under the Federal Election Campaign Act of 1971 by soliciting, receiving, transferring, or directing funds from any source other than such Fund for the direct or indirect benefit of such candidate's campaign, such candidate or agent shall be fined not more than $1,000,000, or imprisoned for a term of not more than 3 years, or both.

''(2) CONSPIRACY TO VIOLATE LIMITS DEFINED.—If two or more persons conspire to violate paragraph (1), and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined not more than $1,000,000, or imprisoned for a term of not more than 3 years, or both.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

(Ban on solicitation of soft money by candidates receiving Federal presidential campaign funds)

AMENDMENT OFFERED BY MR. STEARNS OF FLORIDA TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. ENFORCEMENT OF SPENDING LIMIT ON PRESIDENTIAL AND VICE PRESIDENTIAL CANDIDATES WHO RECEIVE PUBLIC FINANCING.

(a) IN GENERAL.—Section 9003 of the Internal Revenue Code of 1986 (26 U.S.C. 9003) is amended by adding at the end the following new subsection:

''(f) ILLEGAL SOLICITATION OF SOFT MONEY.—No candidate for election to the office of President or Vice President may receive amounts from the Presidential Election Campaign Fund under this chapter or chapter 96 unless the candidate certifies that the candidate shall not solicit any funds for the purposes of influencing such election, including any funds used for an independent expenditure under the Federal Election Campaign Act of 1971, unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act of 1971.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to elections occurring on or after the date of the enactment of this Act.

(Raise contribution limit for contributions to candidates from $1,000 to $3,000)

AMENDMENT OFFERED BY MR. WHITFIELD OF KENTUCKY TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title I the following new section (and conform the table of contents accordingly):

SEC. 104. INCREASE IN CONTRIBUTION LIMIT FOR CONTRIBUTIONS TO CANDIDATES BY PERSONS OTHER THAN PACS.

Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(A)) is amended by striking ''$1,000'' and inserting ''$3,000''.

(Limiting definition of ''express advocacy'' to communications containing certain words or phrases)

AMENDMENT OFFERED BY MR. WHITFIELD OF KENTUCKY TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Amend section 301(20)(A) of the Federal Election Campaign Act of 1971, as added by section 201(b) of the substitute, to read as follows:

''(A) IN GENERAL.—The term 'express advocacy' means a communication that advocates the election or defeat of a candidate by containing a phrase such as 'vote for', 'reelect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', 'reject'.''

(Prohibiting bundling of contributions)

AMENDMENT OFFERED BY MR. ENGLISH OF PENNSYLVANIA TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. PROHIBITING BUNDLING OF CONTRIBUTIONS.

Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read as follows:

''(8) No person may make a contribution through an intermediary or conduit, except that a person may facilitate a contribution by providing—

''(A) advice to another person as to how the other person may make a contribution; and

''(B) addressed mailing material or similar items to another person for use by the other person in making a contribution.''.

(Treatment of refunded donations)

AMENDMENT OFFERED BY MR. GEKAS OF PENNSYLVANIA TO THE AMENDMENT OFFERED BY MR. SHAYS OR MR. MEEHAN

(Substitute for H.R. 2183)

Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, and 507, is further amended by adding at the end the following new section:

''TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

''SEC. 326. (a) TRANSFER TO COMMISSION.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

''(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

''(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

''(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

''(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

''(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

''(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

''(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

''(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

''(i) deposit the amount in the escrow account established under subparagraph (A); and

''(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

''(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

''(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

''(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

''(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

''(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

''(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

''(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

''(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

''(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.''.

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

''(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 326, the amount of the donation involved shall be treated as the amount of the contribution involved.''.

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431), as amended by sections 201(b) and 307(b), is further amended by adding at the end the following:

''(22) DONATION.—The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).''.

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

''(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 326.''.

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 326 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

AMENDMENT OFFERED BY MR. MILLER OF FLORIDA TO THE AMENDMENT OFFERED BY MR. SHAYS AND MR. MEEHAN

Page 39, line 3, insert ''(a) IN GENERAL.—'' before ''Section''.

Page 41, after line 6, insert the following:

(b) REPORTING AND DISCLOSURE.—

(1) REQUIREMENTS.—Section 201(b) of the Labor Management and Disclosure Act of 1959 is amended—

(A) in paragraph (3), by striking ''$10,000'' and inserting ''40,000'';

(B) by redesignating paragraphs (5) and (6) as (7) and (8), respectively; and

(C) by inserting after paragraph (4), the following:

''(5) a functional allocation that—

''(A) aggregates the amount spent for (i) officer payments, (ii) employee payments, (iii) fees, fines, and assessments, (iv) office and administrative expense and direct taxes, (v) educational and publicity expenses, (vi) professional fees, benefits, (vii) contributions, gifts and grants, and

''(B) specifies the total amount reported for each category in subparagraph (A) and the portion of such total expended for (i) contract negotiations, (ii) organizing, (iii) strike activities, (iv) political activities, and (v) lobbying and promotional activities,;''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on December 31, 2000.

(Permitting attorney's fees to be awarded against FEC)

AMENDMENT OFFERED BY MR. DOOLITTLE OF CALIFORNIA TO THE AMENDMENTS OFFERED BY MR. SHAYS

(Substitutes for H.R. 2183)

Add at the end the following new title:

TITLE ___PERMITTING COURTS TO REQUIRE FEC TO PAY ATTORNEY'S FEES IN CERTAIN CASES

SEC. 01. PERMITTING COURTS TO REQUIRE FEDERAL ELECTION COMMISSION TO PAY ATTORNEY'S FEES AND COSTS TO CERTAIN PREVAILING PARTIES.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

''(e) In any action or proceeding brought by the Commission against any person which is based on an alleged violation of this Act or of chapter 95 or 96 of the Internal Revenue Code of 1986, the court in its discretion may require the Commission to pay the costs incurred by the person under the action or proceeding, including a reasonable attorney's fee, if the court finds that the law, rule, or regulation upon which the action or proceeding is based is unconstitutional or that the bringing of the action or proceeding against the person is unconstitutional.''.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1853, CARL D. PERKINS VOCATIONAL-TECHNICAL EDUCATION ACT AMENDMENTS OF 1997

Mr. KNOLLENBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1853) to amend the Carl D. Perkins Vocational and Applied Technology Education Act, 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 Michigan?

There was no objection.

The SPEAKER pro tempore. The Chair will name the conferees momentarily.

REPORT CONCERNING EMIGRATION LAWS AND POLICIES OF ALBANIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105–285)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I am submitting an updated report to the Congress concerning the emigration laws and policies of Albania. The report indicates continued Albanian compliance with U.S. and international standards in the area of emigration. In fact, Albania has imposed no emigration restrictions, including exit visa requirements, on its population since 1991.

On December 5, 1997, I determined and reported to the Congress that Albania is not in violation of the freedom of emigration criteria of sections 402 and 409 of the Trade Act of 1974. That action allowed for the continuation of most-favored-nation (MFN) status for Albania and certain other activities without the requirement of an annual waiver. This semiannual report is submitted as required by law pursuant to the determination of December 5, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 16, 1998.*

REPORT ON DEVELOPMENTS CONCERNING FEDERAL REPUBLIC OF YUGOSLAVIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105–286)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

On May 30, 1992, by Executive Order 12808, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of

the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. President Bush took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro) (the ''FRY (S&M)''), by Executive Orders 12810 and 12831, issued on June 5, 1992, and January 15, 1993, respectively.

On April 25, 1993, I issued Executive Order 12846, blocking the property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the FRY (S&M), and prohibiting trade-related transactions by United States persons involving those areas of the Republic of Bosnia and Herzegovina controlled by the Bosnian Serb forces and the United Nations Protected Areas in the Republic of Croatia. On October 25, 1994, because of the actions and policies of the Bosnian Serbs, I expanded the scope of the national emergency by issuance of Executive Order 12934 to block the property of the Bosnian Serb forces and the authorities in the territory that they controlled within the Republic of Bosnia and Herzegovina, as well as the property of any entity organized or located in, or controlled by any person in, or resident in, those areas.

On November 22, 1995, the United Nations Security Council passed Resolution 1022 (''Resolution 1022''), immediately and indefinitely suspending economic sanctions against the FRY (S&M). Sanctions were subsequently lifted by the United Nations Security Council pursuant to Resolution 1074 on October 1, 1996. Resolution 1022, however, continues to provide for the release of funds and assets previously blocked pursuant to sanctions against the FRY (S&M), provided that such funds and assets that are subject to claims and encumbrances, or that are the property of persons deemed insolvent, remain blocked until ''released in accordance with applicable law.'' This provision was implemented in the United States on December 27, 1995, by Presidential Determination No. 96–7. The determination, in conformity with Resolution 1022, directed the Secretary of the Treasury, inter alia, to suspend the application of sanctions imposed on the FRY (S&M) pursuant to the above-referenced Executive Orders and to continue to block property previously blocked until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initialed by the parties in Dayton on November 21, 1995 (the ''Peace Agreement'') and signed in Paris on December 14, 1995. The sanctions imposed on the FRY (S&M) and on the United Nations Protected Areas in the Republic of Croatia were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnian Serb forces and authorities and on the territory that they controlled within the Republic of Bosnia and Herzegovina were subsequently suspended prospectively, effective May 10, 1996, in conformity with Resolution 1022. On October 1, 1996, the United Nations passed Resolution 1074, terminating U.N. sanctions against the FRY (S&M) and the Bosnian Serbs in light of the elections that took place in Bosnia and Herzegovina on September 14, 1996. Resolution 1074, however, reaffirms the provisions of Resolution 1022 with respect to the release of blocked assets, as set forth above.

The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and covers the period from November 30, 1997, through May 29, 1998. It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order 12808 as expanded with respect to the Bosnian Serbs in Executive Order 12934, and against the FRY (S&M) contained in Executive Orders 12810, 12831, and 12846.

1. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) and the expansion of that national emergency under the same authorities was reported to the Congress on October 25, 1994. The additional sanctions set forth in related Executive orders were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act (22 U.S.C. 287c).

2. The Office of Foreign Assets Control (OFAC), acting under authority delegated by the Secretary of the Treasury, implemented the sanctions imposed under the foregoing statutes in the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 C.F.R. Part 585 (the ''Regulations'').

To implement Presidential Determination No. 96–7, the Regulations were amended to authorize prospectively all transactions with respect to the FRY (S&M) otherwise prohibited (61 FR 1282, January 19, 1996). Property and interests in property of the FRY (S&M) previously blocked within the jurisdiction of the United States remain blocked, in conformity with the Peace Agreement and Resolution 1022, until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia.

On May 10, 1996, OFAC amended the Regulations to authorize prospectively all transactions with respect to the Bosnian Serbs otherwise prohibited, except with respect to property previously blocked (61 FR 24696, May 16, 1996). On December 4, 1996, OFAC amended Appendices A and B to 31 chapter V, containing the names of entities and individuals in alphabetical order and by location that are subject to the various economic sanctions programs administered by OFAC, to remove the entries for individuals and entities that were determined to be acting for or on behalf of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro). These assets were blocked on the basis of these persons' activities in support of the FRY (S&M)—activities no longer prohibited—not because the Government of the FRY (S&M) or entities located in or controlled from the FRY (S&M) had any interest in those assets (61 FR 64289, December 4, 1996).

On April 18, 1997, the Regulations were amended by adding a new Section 585.528, authorizing all transactions after 30 days with respect to the following vessels that remained blocked pursuant to the Regulations, effective at 10:00 a.m. local time in the location of the vessel on May 19, 1997: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR and M/V BAR a/k/a M/V INVIKEN) (62 FR 19672, April 23, 1997). During the 30-day period, United States persons were authorized to negotiate settlements of their outstanding claims with respect to the vessels with the vessels' owners or agents and were generally licensed to seek and obtain judicial warrants of maritime arrest. If claims remained unresolved 10 days prior to the vessels' unblocking (May 8, 1997), service of the warrants could be effected at that time through the United States Marshal's Office in the district where the vessel was located to ensure that U.S. creditors of a vessel had the opportunity to assert their claims. Appendix C to 31 CFR, chapter V, containing the names of vessels blocked pursuant to the various economic sanctions programs administered by OFAC (61 FR 32936, June 26, 1996), was also amended to remove these vessels from the list effective May 19, 1997. There have been no amendments to the Regulations since my report of December 3, 1997.

3. Over the past 2 years, the Departments of State and the Treasury have worked closely with European Union member states and other U.N. member nations to implement the provisions of Resolution 1022. In the United States, retention of blocking authority pursuant to the extension of a national emergency provides a framework for administration of an orderly claims

settlement. This accords with past policy and practice with respect to the suspension of sanctions regimes.

4. During this reporting period, OFAC issued two specific licenses regarding transactions pertaining to the FRY (S&M) or property in which it has an interest. Specific licenses were issued (1) to authorize U.S. creditors to exchange a portion of blocked unallocated FRY (S&M) debt obligations for the share of such obligations assumed by the obligors in the Republic of Bosnia and Herzegovina; and (2) to authorize certain financial transactions with respect to blocked funds located at a foreign branch of a U.S. bank.

During the past 6 months, OFAC has continued to oversee the maintenance of blocked FRY (S&M) accounts and records with respect to: (1) liquidated tangible assets and personalty of the 15 blocked U.S. subsidiaries of entities organized in the FRY (S&M); (2) the blocked personalty, files, and records of the two Serbian banking institutions in New York previously placed in secure storage; (3) remaining blocked FRY (S&M) tangible property, including real estate; and (4) the 5 Yugoslav-owned vessels recently unblocked in the United States.

On September 29, 1997, the United States filed Statements of Interest in cases being litigated in the Southern District of New York: *Beogradska Banka A.D. Belgrade* v. *Interenergo, Inc.*, 97 Civ. 2065 (JGK); and *Jugobanka A.D. Belgrade* v. *U.C.F. International Trading, Inc. et al.*, 97 Civ. 3912, 3913 and 6748 (LAK). These cases involve actions by blocked New York Serbian bank agencies and their parent offices in Belgrade, Serbia, to collect on defaulted loans made prior to the imposition of economic sanctions and dispensed, in one case, to the U.S. subsidiary of a Bosnian firm and, in the other cases, to various foreign subsidiaries of a Slovenian firm. Because these loan receivables are a form of property that was blocked prior to December 27, 1995, any funds collected as a consequence of these actions would remain blocked and subject to United States jurisdiction. Defendants asserted that the loans had been made from the currency reserves of the central bank of the former Yugoslavia to which all successor states had contributed, and that the loan funds represent assets of the former Yugoslavia and are therefore subject to claims by all five successor states. The Department of State, in consultation with the Department of the Treasury, concluded that the collection of blocked receivables through the actions by the bank and the placement of those collected funds into a blocked account did not prejudice the claims of successor states nor compromise outstanding claims on the part of any creditor of the bank, since any monies collected would remain in a blocked status and available to satisfy obligations to United States and foreign creditors and other claimants—including possible distribution to successor states under a settlement arising from the negotiations on the division of assets and liabilities of the former Yugoslavia. On March 31, 1998, however, the Court dismissed the claims as nonjustifiable. Another case, *D.C. Precision, Inc.* v. *United States, et al.*, 97 Civ. 9123 CRLC, was filed in the Southern District of New York on December 10, 1997, alleging that the Government had improperly blocked Precision's funds held at one of the closed Serbia banking agencies in New York.

5. Despite the prospective authorization of transactions with the FRY (S&M), OFAC has continued to work closely with the U.S. Customs Service and other cooperating agencies to investigate alleged violations that occurred while sanctions were in force. On February 13, 1997, a Federal grand jury in the Southern District of Florida, Miami, returned a 13-count indictment against one U.S. citizen and two nationals of the FRY (S&M). The indictment charges that the subjects participated and conspired to purchase three Cessna propeller aircraft, a Cessna jet aircraft, and various aircraft parts in the United States and to export them to the FRY (S&M) in violation of U.S. sanctions and the Regulations. Timely interdiction action prevented the aircraft from being exported from the United States.

Since my last report, OFAC has collected one civil monetary penalty totaling nearly $153,000 for violations of the sanctions. These violations involved prohibited payments to the Government of the FRY (S&M) by a U.S. company.

6. The expenses incurred by the Federal Government in the 6-month period from November 30, 1997, through May 29, 1998, that are directly attributable to the declaration of a national emergency with respect to the FRY (S&M) and the Bosnian Serb forces and authorities are estimated at approximately $360,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in OFAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, and the Department of Commerce.

7. In the last 2 years, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. Resolution 1074 terminates sanctions in view of the first free and fair elections to occur in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement. In reaffirming Resolution 1022, however, Resolution 1074 contemplates the continued blocking of assets potentially subject to conflicting claims and encumbrances until provision is made to address them under applicable law, including claims of the other successor states of the former Yugoslavia. The resolution of the crisis and conflict in the former Yugoslavia that has resulted from the actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and of the Bosnian Serb forces and the authorities in the territory that they controlled, will not be complete until such time as the Peace Agreement is implemented and the terms of Resolution 1022 have been met. Therefore, I have continued for another year the national emergency declared on May 30, 1992, as expanded in scope on October 25, 1994, and will continue to enforce the measures adopted pursuant thereto.

I shall continue to exercise the powers at my disposal with respect to the measures against the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and the Bosnian Serb forces, civil authorities, and entities, as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 16, 1998.*

ADJOURNMENT TO MONDAY, JULY 20, 1998

Mr. HULSHOF. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HULSHOF. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FOLEY) is recognized for 5 minutes.

(Mr. FOLEY 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 gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

HANNIBAL-LAGRANGE COLLEGE—140TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. HULSHOF) is recognized for 5 minutes.

Mr. HULSHOF. Mr. Speaker, I rise today to mark the anniversary of an institution of higher learning in my district which this year celebrates 140 years of service in Northeast Missouri.

Hannibal-LaGrange College has provided quality Christian education to thousands of students while facing tremendous obstacles along its journey, a journey through which God's guiding hand has been evident.

The college opened its doors on September 15 of 1858. First located 30 miles to the north of its present location in LaGrange, Missouri, the LaGrange Male and Female Seminary was founded by the Wyaconda Baptist Association to instill character-building principles and Christian ideals in its students.

At the helm of the vessel was William Ellis, who served as the college's first president. Ellis, who reached the tender age of 24 years the day before classes began that first year, served admirably in his duties until Union troops took over the college's facilities in 1862 during the War between the States.

When the institution reopened in 1866, the new President, Dr. Joshua Flood Cook, certainly faced a daunting task. Building repairs were necessary, books and equipment were needed for the classrooms, the hiring of faculty was required, and community support and confidence had to be restored.

Dr. Cook began remedying these problems immediately and over the next 30 years he served as president Dr. Cook worked as a tireless servant moving the college forward in a manner that has reached unequaled levels of success.

In late 1927, the Hannibal Chamber of Commerce began an effort to bring the LaGrange College to Hannibal, Missouri. The following year, the institution moved south and has for 70 years been carrying out its place in history. The college's new move was mixed with a salute to our Nation's history as well. In 1932, to mark the 200th anniversary of George Washington's birth, the daughters of the American Revolution secured a number of trees from Mount Vernon, Virginia, the home of our Nation's first president. Mr. Speaker, I was recently on campus and can assure you, these trees are still standing tall among the college's entrance drive today.

All continued well for the college until 1973, when inflation and other factors put the college's future in jeopardy. When the campus was threatened with an imminent closing, community leaders, area residents, and Hannibal-LaGrange personnel reacted quickly and decisively, raising $85,000 to keep the college doors open. Again, faced with possible closure, Hannibal-LaGrange received a tremendous blessing in order to remain open.

However, the most challenging obstacle was yet to come. In the summer of 1989, a small fire in the college's cafeteria soon engulfed the campus' main facilities, including the administration building, auditorium, and gymnasium. As the fire blazed through the night and the early morning hours, doubts about the college's future began to surface in even the heartiest of souls. By daylight only charred remains of the structures existed.

Encouraged by his faith in God, then-President Dr. Paul Brown, as well as college personnel and supporters, began a massive effort to rebuild what was temporarily destroyed. As classes and assemblies were held that fall in tents and in trailers and dormitory basements, the campus began to take shape.

In 1992, following the construction of a new sports complex, cafeteria and computer center, the new administration building was dedicated under the leadership of Dr. Brown and current President, Dr. Woodrow Burt. Hannibal-LaGrange has certainly become ''a crown of beauty instead of ashes.''

This quote from Isaiah, chapter 61, verse 3, was placed on the cornerstone of the administration building, and today the college is continuing its vision as Dr. Burt and development officials are spearheading an effort to build a performance center for the institution's fine arts program. A new dormitory will be ready for the ever-increasing student population this fall which, by the way, Mr. Speaker, last year the student population not only came from northeast Missouri but New Hampshire, Texas, California and as far away as the West Indies and the country of Slovakia.

In conclusion, Hannibal-LaGrange has persevered and has produced quality alumni. Thousands have passed through the corridors of Hannibal-LaGrange, each serving as a witness to the impact the college has had on their lives.

Mr. Speaker, I congratulate Hannibal-LaGrange College on providing 140 years of Christian education. May God continue to bless this fine institution for many years to come.

THE BALKANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ENGEL) is recognized for 5 minutes.

Mr. ENGEL. Mr. Speaker, I want to take this opportunity to talk about something that is happening in the Balkans, and that is, unfortunately, ethnic cleansing rearing its ugly head once again.

Just a few minutes ago, we heard the President of the United States say that he was going to maintain sanctions on Serbia because of the way they have been treating their population. I applaud that. But I think it is time for us in the Congress to speak out forcefully and also to look at this in its totality.

We went through a situation in Bosnia just a few short years ago where Slobodan Milosevic, the leader of Serbia, unleashed ethnic cleansing, Serbian nationalism, 200,000 people were dead, and it was something that the world just wrang its hands and did nothing until the United States grabbed the bull by the horns.

We were able to put an end to the carnage in Bosnia. Unfortunately, history is repeating itself in an area called Kosovo, where 2 million ethnic Albanians live. They constitute 92 percent of the population.

☐ 1400

I say Kosova not Kosovo, as many people say, because the Albanians living there call it Kosova, with an ''A.'' And if it is good enough for 92 percent of the population to speak that way and to say Kosova, that is good enough for me.

I have been to Kosova a number of times. The people there live under total oppression. They have no rights; no political rights, no human rights, no economic rights. Albanians have been summarily fired. Communities are 80 percent and higher in terms of unemployment. It is just a people under occupation.

There have been many, many talks, many, many discussions, and the United States has been meeting with a group called a contact group, which contains six countries, Britain, the United States, Italy, Germany, France and Russia. And the contact group has basically been rendered impotent because Russia is always standing behind Slobodan Milosevic, its traditional Serbian ally. So when we try to put sanctions in with teeth, they are always watered down.

NATO, just recently, underwent all kinds of flights to show Milosevic that, if need be, NATO means business. But so far it has been empty words. The stated policy for the United States and the administration and of NATO in the West has been that the Albanians in Kosova, the Kosovars, ought to have some kind of autonomy within Yugoslavia, within Serbia. Autonomy is something they had until 1989 when Slobodan Milosevic summarily threw it out the window.

The former Yugoslavia, in those days, had a lot of different components other than the Serbs. It had the Croats, the Slovenians, the Macedonians and the Bosnians, and the Albanians, in Kosova the Vojvodinas. They had all kinds of different components. Today, rump Yugoslavia is dominated by the Serbs, containing just Serbia and Montenegro, and the Albanians could never get a fair shake in an equation such as that.

So the United States' policy and the West's policy and NATO's policy that

somehow the two parties should sit down and negotiate and work their way back to autonomy for Kosova, in my opinion, does not work. The only thing that will work, Mr. Speaker, and I think we should say it loudly and clearly, is self-determination for the people of Kosova. They have a right, the right that we want for ourselves, the right that our country had 222 years ago, of self-determination, and that we say we want for all peoples. The Albanians in Kosova have the same right of self-determination.

If they want to be a free and independent nation, the Republic of Kosova, they ought to be allowed to do that. I support that. If they want to have union with Albania or stay within a federation with Serbia, that is the Kosovars' way. That is what they should decide. Nobody else should decide that for them. And it is ludicrous to pretend that autonomy will continue to work. Why would people who are being oppressed want to continue in a situation where their oppressors have the upper hand? It just does not work.

There has been a disturbing trend in the past couple of weeks to somehow, in some quarters, equate the people who are being oppressed with the oppressors; to somehow say that everybody ought to lay down their arms; everybody ought to sit and talk. The only way to get rid of ethnic cleansing and the only way to end the oppression in Kosova is to get Milosevic, the Serbs, to back off; get their police and everybody else out of Kosova; impose a no-fly zone over Kosova, the way we have one over Iraq; and use air strikes, if need be, against Serbian positions who are terrorizing and killing innocent Albanian civilians.

Ethnic cleansing and genocide is rearing its head once again on the continent of Europe, and the world is standing by and wringing its hands because nobody knows what to do. The only thing Milosevic understands is tough talk, and we need to have self-determination for the people of Kosova.

SUCCESS IN LIFE REQUIRES THE HEART, THE MIND AND THE SOUL

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from Kansas (Mr. TIAHRT) is recognized for 5 minutes.

Mr. TIAHRT. Mr. Speaker, I wanted to take a minute today to focus on what it takes to be successful in life, because I believe that building a great nation and maintaining its status requires at least three elements of success from its citizens. Those elements include the heart, the mind and the soul.

I believe that success, in part, is determined by what WE have in OUR heart. I know a man today who is successful. He has a promising career in developing computer programs. He has four sons, a lovely wife and he owns a couple of acres on God's green earth. He lives within the clause that is in our Declaration of Independence that says pursuit of happiness, which can be stated as living the American dream.

But his desire started early in life. He grew up the second son, in a family where his older brother got a lot of attention, sort of in his shadow, but he chose to make his own mark early in life, and he felt it in his heart. He chose football to stand in his own light, though he was not physically big. The choice was probably because his brother had some recognition in playing football.

In his senior year, as I recall, he was only about 160 pounds. But even though he was not big, he chose to play in a tough position, nose guard, right in the middle of the line, in the middle of the defensive line where all the big boys like to play. He played hard, he gave it his all. All season. He played with heart. He felt it inside, and size did not matter. He played so well that he was named to an all-State team. And I was very proud of that young man. His name is Tom Tiahrt, my younger brother.

I believe success has to come from the heart. It also has to come from the mind. In the mid-1980s, a young man from the Midwest had a good idea. It was captured in his mind, and he was working out the details, thinking of a new way, and he wanted it to escape his mind and market desktop computers. But in order to do that, he needed some money, some capital to get this idea off the ground. So he went to the bank and he was told no. But that idea just kept stirring in his mind, and he went to another bank and then to another and another. And the message was the same. No, no, no.

Finally, he was able to get some capital from those who had faith in him, his family. His grandmother had a CD that was maturing. But instead of buying another CD, she loaned him the $10,000. He obtained another $5,000 from his brother and started a company that today is a billion-dollar business. The company is called Gateway 2000, and the owner is called Ted Waite, a true success story. He had a good idea in his mind, and he made that idea successful.

I think we must temper our drive for success. If we have it in our mind and we hold it in our hearts, we still must temper it. The good book, God's holy words, say, and I will paraphrase, that if we gain the whole world, in other words, if we are successful, even tremendously successful, if we gain the whole world, and it goes on to say, and lose our own soul, then what have we achieved?

Success is not truly success if we lose our own soul. If we turn our back on God, if we forget our family, if we deny those values and virtues that built this great Nation, honesty, integrity, hard work, commitment to our faith, our family, our country, our God, then we deny true success.

Mr. Speaker, success, or pursuit of happiness, living the American dream, means not only success with our heart and our mind, but also it has to include our soul.

CIA ADMITS TIES TO CONTRA DRUG DEALERS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Today I renew my call on CIA Director George Tenant to immediately release the CIA Inspector General's classified report on the allegations of CIA involvement with Contra drug trafficking. I also call, once again, on the gentleman from Florida (Mr. PORTER GOSS), chairman of the House Permanent Select Committee on Intelligence, to hold prompt public hearings on the findings of these reports.

Today's New York Times, front page, put it bluntly. ''CIA says it used Nicaraguan rebels accused of drug tie.'' The times reported that, and I quote again, ''The Central Intelligence Agency continued to work with about two dozen Nicaraguan rebels and their supporters during the 1980s despite allegations that they were trafficking in drugs.''

The Times finally reported the explosive truth that the Senate investigators and investigative journalists alike have been telling the American people for nearly 15 years.

This front page confirmation of CIA involvement with Contra drug traffickers evidently came from a leak of the still classified CIA review of the allegations stemming from Gary Webb's 1996 Dark Alliance series. Webb's series and his recent book details the CIA's involvement with Contra drug trafficking, including ties to south central Los Angeles' largest crack cocaine network. Until today, the CIA has vehemently denied the charges. But, apparently, even the CIA is having trouble hiding the truth from the American people.

The leaked CIA report remains classified, sitting at the House Permanent Select Committee on Intelligence, because the CIA refuses to declassify a report full of what are being described as devastating revelations of CIA involvement with known Contra drug traffickers.

I have repeatedly called for the public release of these CIA reports, and I applaud Senator KERRY in calling for the immediate public release of the CIA Inspector General's reports. Senator KERRY has worked for 15 years to bring truth, having chaired the Senate investigation that first uncovered the sordid details of Contra drug trafficking in the 1980s.

There is no conceivable reason to keep this report classified. It is tantamount to protecting drug dealers. This administration should call on the CIA to immediately release the report of the Contra drug network. The Contras were a creation of the Reagan-Bush administration and run by Reagan's CIA

and Oliver North. This administration can and should reveal the truth and put an end to this terrible affair. I cannot understand why a CIA report which details the illegal efforts of Reagan-Bush administration officials to protect the involvement of top-level Contras in drug trafficking should continue to be protected.

Although today's New York Times story is somewhat confusing to follow, the story includes some explosive details. Perhaps the most amazing revelation from these leaks is the admission that the CIA knew of drug trafficking allegations against the infamous Legion of September 15 Contra organization.

This group included the key Contra military commanders, including the Contra's top military commander Enrique Bermudez, and was the core of the most famous of the Contra armies, the FDN. They were comprised of a group of violent ex-bodyguards of Nicaraguan dictator Somoza. And they had proven themselves among the worst human rights violators in the entire Contra-era war.

The Times somewhat inaccurately reported this organization was disbanded, they said, in 1982. Of course, the Legion of September 15 had, by then, been merged into the FDN. That is the Contra army. So we now know that the CIA knowingly worked with Contra rebels involved in drug dealing, including the core of the FDN.

We also know that the CIA and Attorney General had a secret Memorandum of Understanding that allowed drug trafficking by CIA assets to go unreported to law enforcement. This, of course, was confirmed in documents I submitted for the RECORD in May. And we know that CIA officials at the highest levels knew of the Contra drug trafficking activities. What we do not know yet are the many damaging details of the 500-plus-page CIA report. The American people must be able to see this report for themselves.

We forced these investigations. A lot of people said, oh, there was nothing to it. The first half of the CIA reports were unleashed, and that is when we determined the Memorandum of Understanding existed that they did not have to report drug trafficking.

FLORIDA GIVES HEARTFELT THANKS TO FIREFIGHTERS THROUGHOUT THE NATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FOLEY) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, I wanted to take a moment to share with Americans all over that for the past month and a half, as many people are aware, Florida has been besieged by wildfires, which have consumed almost half a million acres. The fires have badly strained the resources of local and State fire officials, who have had to respond to more than 2,200 individual fires throughout the State.

Given the widespread devastation, which includes the destruction or damage of more than 400 homes and businesses, firefighters from towns throughout Florida have had to travel to wherever they are needed. But even with this kind of statewide teamwork, the magnitude of the disaster has required help from beyond our borders, and the response across America has been overwhelming: 5,100 firefighters, from almost every State in the Union, as well as Puerto Rico, have uprooted themselves, leaving their families behind, to help Florida in its time of need.

On behalf of all Florida residents and the congressional delegation, I want to give my heartfelt thanks to each and every firefighter, to their family throughout the Nation, who have risked their lives to put an end to the devastation which has so profoundly affected my State.

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Mrs. CLAYTON. Mr. Speaker, I want to share with my colleagues some of the developments in Congress that I am very pleased with.

An amendment to the Higher Education Amendment's Act of 1998 passed the Senate recently after successfully passing the House of Representatives. The amendment requires colleges to distribute voter registration forms to students while enrolled in an institution that receives financial assistance from the Federal Government.

I am excited about this legislation because it provides more opportunities for college students ages 18 through 24 to register to vote.

This group, one of the most mobile groups in this country, has the lowest voter participation rate of all Americans eligible to vote. Colleges would be required to distribute a mail voter registration form to each student enrolled in a degree or certification program. This amendment encourages students to exercise one of the most fundamental rights, the right to vote.

I also want to applaud the action by the Senate in passing an amendment as a part of the Fiscal Year 1999 agriculture appropriations to restore credit to small farmers. The 1996 Farm Bill changed the eligibility criteria for the USDA farm loans.

Anyone who had ever received any kind of debt forgiveness, including restructuring and rescheduling, is now ineligible. Many of these farmers suffered disasters due to flood or drought.

Both the Civil Rights Task Force report and the National Commission on Small Farms cited this change as unduly harsh and recommended that it be modified. In the light of those findings, I introduced the Agriculture Credit Restoration Act of 1998. It would modify the debt forgiveness limitation enacted by the 1996 Farm Bill.

The bill, H.R. 3513, would allow creditworthy USDA borrowers a second chance to receive a loan from USDA after having received debt forgiveness on a previous loan. A companion piece of legislation in the Senate, S. 1118, was introduced by Senator ROBB.

Mr. Speaker, it is important to recognize that the long-term economic health of rural America depends on a broad and diverse economic base which requires investment in agriculture, rural businesses, infrastructure, housing stock and community facilities.

The Senate amendment, like my bill, would allow farmers and ranchers to remain eligible for USDA credit through two experiences requiring debt forgiveness, including a loan write-down or net recovery buy-out.

The Senate amendment and my bill now will allow one exception to borrowers who experience financial difficulties because of a natural disaster, family medical crisis, or as a part of a settlement of a civil rights case.

The Senate has done a great service for small farmers. They deserve our applause.

Finally, the Senate yesterday inserted another very important language into the agriculture appropriation. The Senate version of the 1999 agriculture appropriation, like the House, contains provisions for lifting the statute of limitations contained in the Equal Credit Opportunity Act, thus allowing black farmers who have complained of discrimination against the Department of Agriculture to have a hearing either before the Department or before the courts.

Where relief is merited, it will now be granted. Cases back as far as 1983 can now be heard. This is indeed historic. Black farmers in America have struggled for more than 4 decades, and the very department designed to help them has over the years hurt them.

I am delighted that, after much effort, we can claim a significant victory. There has been more than a 64-percent decline in black farmers just over the last 15 years, from 6,996 farms in 1978 to 2,498 farms in 1992.

The Department of Justice ruled earlier this year that legal and technical arguments should prevent these farmers from receiving recovery from the damage done to them. The Department's position was taken even in cases where discrimination has been proven, documented and demonstrated recovery was not possible. Yet, the Department continued to receive complaints and, in fact, in its literature encouraged farmers to submit their complaints to them, knowing full well that the Reagan and Bush administrations eliminated the unit to investigate their complaints.

Black farmers' relied on this empty process to their detriment. Mr. Speaker, it is a good thing that we have now come to this point to move this dark history from the chapter.

Y2K BUG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, some computers and electronic systems will have difficulty adjusting to the dates beginning in the year 2000. This is the oft-mentioned ''Y2K'' bug. This problem is caused by a long-time custom in electronic industries to use 2-digit dates. Thus, 1980 was simply ''80'', 1990 was ''90'', and 1998 is ''98.'' However, that system does not work when we get to January 1, 2000. At that time, many machines will think it is January 1, 1900.

There are enormous national interests at stake as we prepare to deal with the technical challenge of the year 2000. Critical national infrastructures may be threatened, including many government services, banking and financial services, energy and power, telecommunications, transportation, and vital human services such as hospitals.

It is not surprising that Federal Government agencies include millions of computer and electronic systems. Led by the gentleman from California (Mr. HORN), the chairman of the House Committee on Government Reform's Subcommittee on Government Management, Information, and Technology, the Republican Congress has pushed long and hard to whip Federal agencies into action to address Y2K problems.

Although the Federal Government faces a major Y2K challenge, the private sector challenge from the year 2000 transition is far greater. Recent congressional testimony from the Board of Governors of the Federal Reserve System estimated costs at roughly $50 billion, and many estimates go far beyond that staggering figure. And those are U.S. costs alone. Actually, this is an international problem, and we must recognize that.

Mr. Speaker, while I am not an alarmist, I believe it is prudent for Congress to immediately consider legislation to help the private sector deal with Y2K problems. It is clear that two legislative reforms would effectively encourage computer-related companies and the private sector clients that they serve to avoid Y2K problems and reduce the impact on the public by, first, a limited modification of Federal liability law and, second, a targeted anti-trust exemption for firms working together to deal with Y2K problems. These reforms make up H.R. 4240, legislation that I introduced just yesterday called the Y2K Liability and Anti-Trust Reform Act.

The press is already reporting that some unscrupulous lawyers are planning and filing multi-billion-dollar Y2K lawsuits to reap monetary rewards from America's pain. It is clearly in the national interest to have companies focused on fixing Y2K problems rather than being frozen by the fear of lawsuits.

Earlier this week, the Clinton administration proposed a pop-gun response to this potentially immense problem. The President proposed to provide a small degree of liability protection to encourage companies to share information on how to solve Y2K problems. Mr. Speaker, far more than that is needed.

With just 17 months remaining before January 1, 2000, one of our core principles on Y2K policy must be to focus all relevant talent and energies on avoiding the problems. While the President's proposal falls short, the liability provisions in H.R. 4240 are the best way to achieve that goal.

While talk is nice, the Y2K Liability and Anti-Trust Reform Act provides a real incentive for companies to solve Y2K problems before computer systems fail and the American people suffer.

My legislation requires computer-related companies to take responsibility for products they have developed and sold. They must make fixes available to customers for their non-Y2K compatible hardware and software, and those fixes must be available cost-free for products sold after December 31, 1994. I am confident that freed from the fear of multi-billion-dollar lawsuits that the enormously creative and successful American high-technology industries can respond to this challenge.

Companies that use computer and electronic systems must also take responsibility for fixing Y2K problems before things go wrong. Remember, Mr. Speaker, it is the American people that lose when a company adopts a strategy based on the plan to simply sue someone when things go wrong.

Companies that use computer and electronic systems gain a similar degree of liability protection if they make all reasonable efforts to fix the Y2K problems in their systems, run a test by July 1, 1999, and notify all customers and the President's Y2K Commission of the prospects for their own Y2K failures by August 1, 1999.

Right now, as the clock ticks towards the year 2000, too much private-sector energy is being wasted on legal liability strategies rather than finding and fixing potential failures. The liability provisions in H.R. 4240 will create a real incentive for companies to focus on finding and fixing problems, because there will be a tangible reward, some freedom from aggressive Y2K lawsuits.

MEXICO POLLUTES BEACHES OF IMPERIAL BEACH, CALIFORNIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BILBRAY) is recognized for 5 minutes.

Mr. BILBRAY. Mr. Speaker, this weekend, the City of Imperial Beach, the most southwest lake community in the continental United States, is going to celebrate its 17th annual sand castle competition.

Now, we hear many Members of the House come here and talk about great things in their communities. But, sadly, this is not going to be a great event unless things change over night. Sadly, we are going to be confronted by the fact that Mexico is sending down 25 million gallons of untreated raw sewage that may close the beaches of Imperial Beach for this great weekend for this community.

Now, instead of being greeted by sand castles and happy children and families and blue sky and warm water and beautiful surf, the visitors of Imperial Beach may have to confront red pollution signs, not because they did not clean up their environment, not because they did not spend the money for infrastructure to make sure that they did not pollute, but because the United States allows a foreign government to violate American sovereignty and pollute American soil.

Sadly, for the last 20 years, Mr. Speaker, we have stood by and watched a foreign country pollute our wildlife preserves and our beaches in southern California. And we have talked and we have negotiated. We have spent hundreds of millions of dollars of American taxpayers' funds at trying to address this issue while negotiating with the Republic of Mexico.

Now, this problem is something that most people do not understand. The Tijuana River flows through a major metropolitan area of over a million people and flows north into San Diego. And San Diego has been impacted by this.

Now, the responsibility for cleaning up this mess, Mr. Speaker, is not a local, not a State, it is a Federal obligation, because it is crossing an international border. And if the people of Mexico do not care about what they are doing to their neighbors, and we all talk about being good neighbors, I think we can all understand, in a civilized society, being a good neighbor does not mean dumping your raw sewage into somebody else's neighborhood.

I am asking the Congress and the President and the Senate and all of America to finally stand up and say, we are willing to confront our friends and our neighbors to the south about the environmental problems that are not just HIDTA and NAFTA but predate NAFTA, but it is time to do what good neighbors should do every once in a while, tell our neighbors to clean up their act, quit polluting our waters, quit destroying our sand castle competitions, quit endangering our children and our families.

Mr. Speaker, it is time that Congress makes some firm, tough decisions about what we are willing to do to send that message across. I would ask us to consider that if Mexico is not sensitive to the fact that tourism has been destroyed in the City of Imperial Beach again and again over the last 20 years, we should consider a sensitivity lesson to the Republic of Mexico and consider if tourism going into Mexico from the United States is a guaranteed right that we want to continue as long as this pollution continues.

I am not proposing any actions today, Mr. Speaker, but I am asking us to become aware that it is time that

this Congress, who talks about the environment, who gets involved in environmental issues all over this Nation, indeed the world, now be willing to stand up for the environment in our own soil that is crossing the border and start backing up our well-intentioned rhetoric with real action that will make sure that 18th sand castle competition in Imperial Beach is one that is clean, sunny and happy for both sides of the border.

□ 1430

INTRODUCTION OF THE FARM LIFE EXTENSION ACT OF 1998

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, today, earlier today, along with the gentleman from Kansas (Mr. MORAN) and the gentleman from Oklahoma (Mr. LUCAS) I introduced legislation called the Flex Act, the Farm Life Extension Act of 1998.

Many people across this country are becoming more and more aware of the very serious problem that we have in agriculture today. For those who do not live in farm States, I would urge them to take a look at some recent newspaper stories, like the one on the Sunday New York Times front page which talks about the need for assistance for South Dakota and other agricultural producers across this country. And, if one looks and drives across any of those States today, you will see a lot of for sale signs, you will see a lot of auctions, because there are a lot of people who are going out of business, and in fact, if you will listen very closely, you will hear a lot of tales about the slow death, the last gasping breath, of agriculture as prices continue to plummet and producers are asked more and more to realize their incomes from the marketplace. And when asking them to do that with the 1996 farm bill, the Freedom to Farm Act, we indicated to them that we would be more aggressive in seeking export markets and opportunities for their agricultural commodities, and in fact we have not followed through on that end of the deal, and today I want to call on the administration to further use the tools that have been provided, the Export Enhancement Program that has been authorized and funded by the Congress to help our agricultural producers compete on a level playing field with those other producers around the world.

And, in fact, the American farmer can compete with anyone, but the American farmer cannot compete on a level playing field with taxpayers in places like Germany and France and other countries around the world that subsidize their farm economies. We have to be more aggressive in terms of seeking market opportunities for our agricultural producers. That is a long term issue, and if we are going to see prices stabilize in the long run and to increase the prices that our producers derive they marketplace, we have to realize that 96 percent of the world's population in fact lives outside the United States, and that is where the future markets for agriculture are.

At the same time we have a more immediate problem in agriculture today. We have a cash flow problem. Because prices are so low, we have farmers who are in a world of hurt across this country. It is probably more pronounced in my part of the world, up in the northern plain States, but it is starting to creep out into the other States across this country, and I think one of the things that we are finding is that, if the agricultural sector of our economy is weak, our country is weak, and we have to have a healthy agricultural economy in order to have a strong America.

And so today, in introducing this legislation, we have sought to bring some badly needed capital, some cash flow assistance, to farmers across this country. Very simply what it does is takes the existing payments that they would already receive under the Freedom to Farm Act and allow them to take them in one lump sum today, and in so doing it gives them additional flexibility, allows them to make a management and a business decision about whether or not to accelerate and receive those payments today, perhaps pay down debt, perhaps even get out of the business, if that is their choice, but at least allows them to better manage the resources that we have provided under the farm policy in this country for the next 5 years. And our bill is a way of doing that.

In fact, we have come up with a mechanism whereby that can be financed. If, in fact, you put the 5-year payments, bring them back to net present value today and allow the farmers to accept that, you have an appropriation problem up front, you do not effect budget authority. But to address that what we have done is borrowed on a concept that was used in the State of South Dakota with the conservation reserve program, and that is to allow Farmer Mac in this case to bond and to take the proceeds from those bonds to purchase the contracts and then, as those contracts come due, purchase the contracts from the farmers, get the cash out there, and then as those contracts come due, USDA would reimburse Farmer Mac and thereby eliminate the immediate need for upfront assistance for appropriations.

And that is basically the way that this bill works and the concept that is embodied in it, and it is something again that I hope we can use and implement that will bring additional cash flow relief to a lot of agricultural producers in this country.

And just earlier today we announced, along with the Speaker and the chairman of the agricultural committee, Mr. BOB SMITH, a short-term assistance which would advance the payment that they will receive, the '99 Freedom to Farm payment, to October 1 this year, $5.5 billion going out to agricultural producers this year rather than next, giving them again the immediate cash flow assistance that they need to make those payments that are due at the bank and other places.

And I appreciate very much the leadership of our committee and the leadership of this House have taken to address this serious problem in rural America, and so I credit the leadership and look forward to working with them to enact not only that bill, but the Flex Act of 1998.

APPOINTMENT OF CONFEREES ON H.R. 1853, CARL D. PERKINS VOCATIONAL-TECHNICAL EDUCATION ACT AMENDMENTS OF 1997

The SPEAKER pro tempore (Mr. PEASE). Without objection the Chair appoints the following conferees on H.R. 1853, the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997:

For consideration of the House bill and the Senate amendment and modifications committed to conference:

Messrs. GOODLING,
MCKEON,
RIGGS,
PETERSON of Pennsylvania,
SAM JOHNSON of Texas,
CLAY,
MARTINEZ,
and KILDEE.

There was no objection.

SHARE THE PROSPERITY BY INCREASING THE MINIMUM WAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, the House is galloping toward recess and adjournment. The Republicans have had a very clever strategy this year. We have spent a lot of time in recess and very little time in deliberations. That is not by accident, it is a way to guarantee that important things are done rapidly, that there is a minimum of deliberation, that the party and the minority does not have an opportunity to bring issues to the public. It has worked very well. You know, we have had a lot of very extreme things accomplished in a few days using this technique of minimizing deliberations and maximizing action while we are here.

So, I suspect the process of galloping is going to continue between now and the time we go out on the August recess, and, once we return from the August recess, of course the galloping is even going to even move faster.

The Republican schedule is part of the whole strategy, and what it does is it turns our democracy into a form of distorted law making, which is not

good for the country. It means that a handful of people in conference committees will be making the biggest and most important decisions while the rest of us, the other Members of the 435, are forced to just vote up or down, yes or no, on important matters. It gives maximum power to the smoke-filled room the way the Republican majority is conducting the House. It is most unfortunate, but it is important that we understand that process, that there will not be the usual deliberative process long enough for even the Members of the House to understand the issues, certainly not long enough for the members of the public to understand what we are deliberating on.

I want to speak today about one of the casualties of this process. One of the casualties is the working family.

We should share our great prosperity now with working families. You know we are enjoying unprecedented prosperity in America. Never before have we had this kind of stock market boom. At every level you feel the surge of the economy. People who are rich and who have some investments are getting richer at a faster and faster rate. It has even produced a surplus in the government. The amount of revenue being collected now greatly exceeds the planned expenditures for the coming budget year. So we are going to have a surplus; it is almost guaranteed, but we are not sharing this prosperity with working families.

And I want to make a case for sharing the prosperity with working families, and the way we begin to share the prosperity with working families is to begin with an increase in the minimum wage. We need an increase in the minimum wage. You know, the increase of the minimum wage will not cost the taxpayers one penny. An increase in the minimum wage is not a budget and appropriations item. It is a matter of public policy which takes into consideration the fact that we have a very prosperous economy, and one way to share the benefits of that economy with the working family is to increase the minimum wage.

If you want to help families, and everybody professes to want to help families, both the Republicans and the Democrats argue that they are pro-family. What is wrong with America is that there is assault on the families; we all agree. What is wrong with America is that as families are falling apart. You know it has greatly impacted on our young people. The best you can do, the first thing you can do, for families is to give them more money, more income. More income needs to go to those people out there who are making minimum wage, and it is a large number. More than one-third of our working force is making the present minimum wage.

Present minimum wage is $5.15 an hour, $5.15 is the present minimum wage. We need to take steps immediately to raise the minimum wage. It has fallen behind over the years. The cost of living has increased far faster than the minimum wage, so the minimum wage has never caught up and is still far behind the cost of living, and I am going to talk about that in more detail in a few minutes.

This 105th Session of Congress, instead of the majority consistently taking actions which are hostile toward working families should take actions which are going to help working families. You know we should share the prosperity instead of at every step limiting the amount of help that the poorest people get starting with the fact that we have a surplus. You know we are faced with an unprecedented situation. For the last three decades we have not had the kind of surplus that we have now, and the only discussion we hear about the surplus is that it should be utilized to give a tax cut to the rich.

Now I am in favor of tax cuts. I am not sure where my party stands at this point. The Democrats last year produced a very good proposal and went to the floor with an alternative to the Republican tax cut which I think is still applicable. I have not heard much talk about it lately, so I am not sure why we do not have it out front. That tax cut was skewed so that the people on the bottom, those who need the help most would get the first and the biggest tax cut. So we should have a tax cut, but it should be aimed at helping working families. The combination of a raise in the minimum wage and a tax cut to working families is a kind of action needed to share the prosperity with those who are not at this point sharing that prosperity.

The democratic message is there. We have in our platform, as we go toward the November elections, a share-the-prosperity message. We have a message that includes the raising of the minimum wage. Raising the minimum wage is one of the priorities of the democratic package at this point. The problem is it seems to fall off the radar screen with respect to media attention. Members of my party are not saying much about the raising of the minimum wage. It is there, it is part of our platform, it is part of our set of priorities, but not much is being said about it, and that is most unfortunate. We ought to talk about the minimum wage. We ought to make a drive between now and the time the Congress closes to take advantage of this great window of opportunity we have in terms of prosperity.

We have the prosperity now. We should share the prosperity by increasing the minimum wage. We should share the prosperity with working families by jointly, in a bipartisan agreement, supporting a tax cut for families who make less than $50,000. Let us have a tax cut. We have already given a tax cut to the richest Americans. Just before we went on recess for the Fourth of July holiday we passed a bill which gave benefits, capital gains benefits, to the people who were fortunate enough to have big capital items that they want to divest. You know the capital gains tax was altered in a way which allowed them to take advantage of faster movement of their capital gain assets. That is a brake for the rich. Now let us have one for the poor, maybe 1 or 2 or 3, so that the poor can catch up. We need a tax cut, I support the idea of a tax cut, and I think, if the Democratic Party in this House goes back to where we were last year, we had a proposal for an alternative tax cut which made a lot of sense and gave the help to the working families.

We need also to help working families by investing heavily in education and job training. We need to move away from the present Republican majority position that we do not want to invest any more in education except really want to invest more; that is one item. We want to take the money we have now and move it around so that instead of title I money going to the poorest schools to improve public schools, title I money should be used for vouchers to go to private school. So we are not only not willing to invest more in education for working families, we are also ready to take away from the working families a program that exists already.

□ 1445

We recognize that there is a great need for information technology workers, yet the Republican proposal on the table which already passed the other body states that we are going to solve the problem of the shortage of high-tech workers by bringing in more foreign professionals. Foreign professionals will come in and take the jobs we ought to be training our American citizens for. That is the answer of the Republican majority at this time. The President said he might veto such a bill, and I hope he definitely will, and put the emphasis on solving the shortage of workers in the area of high-tech, on the area of training the people in the country right now who need the training.

The Republicans have also proposed to cut the Summer Youth Employment Program. They have zeroed out this program in the appropriations bill that will be coming before the House next week.

The Labor-HHS appropriations bill has zero in it for the Summer Youth Employment Program. I think the program is up at about the level of $600 million. You are going to take $600 million away from the poorest young people in America, at a time when the Nation is prosperous, at a time there will be a surplus in the budget.

The Republicans are also proposing to cut LIHEAP. LIHEAP is a program which provides heat for people who do not have enough money to heat their homes in the winter. Mostly elderly people benefit from the LIHEAP program. It also provides air conditioning, by the way, in certain areas of the country where there is extreme heat

and they need air conditioning for the protection of mostly elderly people or sick people. In fact, in some parts of the country now there is a great heat wave on, and public action is being taken to protect certain categories of people from the heat.

But the biggest problem is the cold in the winter. LIHEAP has been around for a long time, but the bill that will be before us next week, pushed by the Republican majority, which cuts the Summer Youth Employment Program and cuts LIHEAP.

The majority Republicans in the 105th Congress are very hostile toward working families. They say they care about families, but most of the families in America are working families. The overwhelming majority of families are working families.

I am going to make an appeal to the religious right, and I apologize, because it is putting a lot of people under the umbrella in a kind of crude way, but I want to make an appeal to those people who say they care about families and say they should join us. We could make a great caring majority. Join us in calling for a tax cut for working families. Join us in calling for an item that will not cost the government one penny, and that is an increase in the minimum wage.

The religious right, the religious left, the religious center, let us have a caring majority movement toward bringing relief to working families, because the best way you can help families, of course, is to give them more money. There is no complicated bureaucracy needed. Increase the minimum wage. The employers out there will have to pay a higher minimum wage, and the families that need it most will benefit from that increase.

There is nothing complicated involved in a tax cut for the working poor. We probably should look at Social Security payments, the payroll taxes. That is the area where taxes have gone up most for working people. The great increase has been in the payroll taxes that everybody pays, regardless of income.

There are some people that say now that the surplus is primarily a surplus generated by Social Security revenue. If you take away the amount of money generated by the extra Social Security revenue, you would have a deficit, they say.

That is a little late, that argument, because we have been calculating our budget and discussing the national budget for years now on the basis of the fact that the Social Security revenue was included in the budget. To suddenly now say, well, we really do not have a surplus because most of that money is Social Security, if you do that, then you are wiping out the possibility of using the surplus in some type of constructive way, which I will propose later on.

I think the surplus is real. It is primarily generated by Social Security revenue. So if we have a tax cut, then let us recognize the fact that the extra revenue comes from Social Security, the payroll taxes. Let us reduce first the payroll taxes of the poor when we give a tax cut.

So I want to again repeat that what I am talking about is an agenda that we ought to follow as we move toward the close of this session, right now, as we gallop forward, instead of the backroom deals being made on the Committee on Appropriations, which lately has taken to making legislation, authorizing legislation more and more, violating the rules.

The rules do not exist anymore. We had a tax package that came back from conference, the IRS reform package. It was IRS reform when it left the House, it was IRS reform when it left the Senate. Neither the House nor Senate had any item in there related to changing the capital gains tax computation. Yet it came back with that change in it, and some other changes in it, written by the conference committee.

Neither House had included certain items related to tax reform, yet they got in the IRS reform bill. We were left on the floor with no alternative: Vote for it or vote against it. Who wanted to vote against a tax cut without an alternative? So most of us voted for it, of course. We would like to have had a chance to deliberate. We would like to have had a chance to make some alternative proposals. We would like to have had a tax package not written by 10 people.

The children of America out there think that they have a democracy, that we have representatives who are elected, and those representatives have an opportunity to make the laws. We have this little booklet we give out to the classes that come to visit us that says we have a bill introduced, a bill goes through committee, the committee passes it to the floor, the floor deliberates on it and votes, the floor sends it to the other body, the floor of the House and the floor of the Senate, there is a conference committee, the conference committee deliberates, the conference committee sends it back to the floor, the floor votes. It sounds as it if it is a great democracy and we always do it that way.

More and more, the strategy in this House, the Republican-controlled House of Representatives, is that we want to do as little democracy as possible. When you have the conference committee writing the legislation, it means the rest of us are puppets, rubber stamps, or something worse than that.

I think all the Members of the House of Representatives are very talented people. You do not get here without being very talented and competent. We might disagree on policies and ideology, but I respect every member. You do not get here unless you have a lot to offer.

I think we should be utilized. We should not be a parts of a fraud or a sham with respect to our constituencies. Our constituencies want us to participate and make laws. We should not sit still and allow the rules to be violated and a handful of people to make the laws, whether you are dealing with tax cuts for the rich or education policies for public schools.

Mr. Speaker, I want to go into greater detail on the minimum wage, because I am saying in essence that at the heart of the process of sharing prosperity with working families is the increase in the minimum wage. The good news about the minimum wage and the irony of it is it will not cost the taxpayers a single penny. So can we not move to increase the minimum wage between now and the time the 105th Congress adjourns?

Let us put it on the radar screen. Democrats, I call on you to cease the silence. It is on our list, but we need more activity. We need to put it on the radar screen, we need to put it on the television screens, the radio and the press. The poor, the working families of America, need an increase in the minimum wage.

A lot of people say, who makes the minimum wage anymore? Most people are above the minimum wage. No, that is not true. More than a third of the workforce is still making the minimum wage.

The people who are working out there, the bread winners for working families, are affected by the minimum wage, even if they are making more. The minimum wage has become the starting point, the bargaining point, for many negotiated collective bargaining agreements. When the minimum wage goes up, everybody else's wage rises. All tides rise when the minimum wage rises. In terms of income, everywhere it goes up.

So we need people making more than the minimum wage at this time of prosperity. They need more money and should have more money, because the negotiated wages ought to go up as the minimum wages go up.

The minimum wage has stagnated, as I said before, for a long time. We started out in the New Deal with Franklin Roosevelt and the first enactment of the Fair Labor Standards Act. It was 25 cents an hour, 25 cents an hour in 1938. Well, that was like a godsend, because you went from zero to 25 cents an hour. That was a great increase. Before that the employers of America had the working families at their mercy. They could pay what they wanted to pay, and there was no way to make them pay more, because the labor market was full, plenty of people. If you did not like the pennies you were being paid, you just would step aside and somebody else would take the job. So we were undercutting and eroding the basis of family life.

There were people who worked all night and all day, on the weekend, kids who never saw their fathers, yet they were making very little money because the hourly wages were so small.

Twenty-five cents an hour was passed October 24, 1938. We have come a long

way since 25 cents an hour was passed. By January of 1976, we had a law which raised it. We had gone step-by-step all the way to $2.30 per hour. In January 1976 we increased it to $2.30. Now it is at $5.15 an hour. You might say, what a great march forward over 25 cents. It started at 25 cents, and now we are up to $5.15 an hour.

But here is what the facts show. The working families have lost ground because the increase in prices, the cost of living, has gone so much faster than these increases in the minimum wage.

I cite a booklet here that all of us receive as Members of Congress, it is called Minimum Wage and Overtime Hours under the Fair Labor Standards Act. It is a report to the Congress required by the Fair Labor Standards Act from the Secretary of Labor.

It is a booklet that every member of Congress should scan, if not have his staff read, and understand the dynamics of the minimum wage. It is great that we have a law. It is great we have a Fair Labor Standards Act. But the facts are not good at all.

In spite of the recent minimum wage increases, the real value of the minimum wage remains below the 1960s and 1970s level. I am reading from a page of the booklet that I just cited. By the way, this booklet was issued on the occasion of the 60th anniversary of the Fair Labor Standards Act which established the minimum wage, so for 60 years we have at least had government policy involved with the hourly wage of working families.

But in spite of the recent increases and the fact it has gone to $5.15 an hour, between 1966 and 1997 the real value of the minimum wage declined by 17 percent. Between 1966 and 1997 the real value of the minimum wage went down by 17 percent. Workers ended up making 17 percent less per hour when you calculate the value of wages as computed in terms of the cost of living. When you consider how high the cost of living has gone compared to the wages, then we have suffered a decrease, a decline of 17 percent.

The family size supportable by the minimum wage at the poverty threshold fell, went down, from close to four in 1968 to just over two in 1997. Listen carefully. The family size supportable by the minimum wage, the number of people who can be supported on a $5.15 an hour minimum wage, dropped by half. The old minimum wage could support in 1968 four people. The present minimum wage in 1998 supports only two people at the poverty level.

□ 1500

That means that they do not eat steak, I assure my colleagues. They have minimum housing, minimum clothing, minimum food. Only two people can now be supported on the minimum wage. We have gone backwards by 50 percent.

In the 1950s and the 1960s, the minimum wage averaged 51 percent of average hourly earnings. That measure fell to 46 percent in the 1970s and to an average of 40 percent thus far in the 1980s and 1990s. Average hourly earnings means that when you calculate the earnings of people that are not making minimum wage, making above that amount, and figure it in with the people that are making minimum wage, the average has gone up, and the minimum wage workers have not kept pace, a 40 percent drop in the 1990s.

With regard to the Fair Labor Standards Act's requirement to measure the ability of employers, with regard to the requirement of the Fair Labor Standards Act, which is the act of Congress which created the minimum wage, along with a number of other conditions under which the minimum wage is administered. With regard to the Fair Labor Standards Act requirement to measure the ability of employers to absorb wage increases, since 1966, annual percent gains in business sector productivity, productivity, output per hour, has outpaced increases in real hourly compensation three-fourths of the time and for each of the past 10 years. Over the entire period, the change in output per hour grew by two-thirds, while compensation grew by only one-third. In other words, we are getting two-thirds more out of a worker now than we got in terms of productivity.

It is no wonder the profits are so high, that prosperity is so good for the owners of the factories and the owners and investors in the various enterprises, because the productivity of each worker is so much greater, while the amount of money paid to the worker has gone down a little more than one-third, gone down instead of up. The ratio has only increased by one-third, which means that the pace is way off for the wage increase versus the productivity.

Real corporate profits per hours worked have recovered from a recession low in the 1980s. Profits per hour in 1997 exceeded the previous peak level recorded over the last three decades, while average profits per hour over the past 3 years is the highest such average in 30 years. Average profits for each hour worked is greater now than it has ever been in the last, than it has been in the last 30 years. This is why we have such a tremendous boom on Wall Street, great earnings by corporations, because the profit for each hour of work is so much greater than it has ever been.

Average real retail industry profits per hour worked over the past 5 years have been the highest in 25 years. In 1996, 79 million wage and salary workers were covered by the minimum wage provisions of the Fair Labor Standards Act. Overtime protections applied to 74 million workers.

Mr. Speaker, this is a great majority of our work force is covered by this act, so we are not talking about a handful of people when we talk about increase in the minimum wage and the resulting additional raise in wages that is caused by the increase in the minimum wage. The majority of workers not protected by minimum wage, and overtime provisions were classified as executive, administrative and professional.

Let me just conclude this section of the booklet by saying that the Small Business Act that Congress passed, the Small Business Job Protection Act, which was passed on August 2, 1996, under the Republican majority in the last Congress, it was signed into law by President Clinton, provided two minimum wage increases over the 2-year period. An initial increase from $4.25 an hour to $4.75 an hour, went into effect on October 1, 1996. That was the first minimum wage gain since April 1 of 1991. The second increase was effective on September 1, 1997, and that took us to the level where we are now, $5.15 an hour.

One barometer of the adequacy of the minimum wage over time is the degree to which the purchasing power, the wage law has changed. A declining real value of the minimum wage suggests that minimum wage workers are worse off, while a rising real value of the minimum wage signifies improvement in the status of these workers.

In order to gauge the relationship between prices and the minimum wage, three indices were constructed. Over the 3-year period, the minimum wage increased 312 percent, while the implicit price deflator and the Consumer Price Index, we know more about the Consumer Price Index than we do the other one, the Consumer Price Index rose 338 percent to 395 percent respectively.

Using the Consumer Price Index, the real value of the minimum wage per hour in 1997 dollars has declined from a high of $7.38 per hour; the real value of the minimum wage in 1968 was $7.38 per hour. When we compare the minimum wage with the cost of living, a worker was earning as much as $7.38 an hour, but now, with $5.15 in 1997, they are earning much less per hour in real value.

Another indicator of inadequacy of the minimum wage is the extent to which it allows workers to live above established poverty thresholds. I just mentioned that a few minutes ago. For individuals, those not supporting families, the minimum wage has consistently exceeded poverty level incomes. On the other hand, for an individual trying to support a family, the minimum wage has lost some of its ability to generate a standard of living above the poverty line. In other words, there are people that go to work every day, and there is no way they are ever going to get out of poverty earning the minimum wage.

In 1968, a full-time worker earning the minimum wage was able to support a family of four slightly below the poverty threshold. In 1968, though, they could support a family of four at the level of the threshold of poverty, which means that they at least could provide the basics, food, clothing and shelter.

However, by 1980, the falling real value of the minimum wage reduced the family size supportable at the poverty threshold to three, only three people, and then by 1984, the family size that could be maintained was reduced to two persons. I just cited that before. At present, the minimum wage will support a family of two instead of a family of four.

We need to share the prosperity that we are enjoying in America with working families. We need to share the prosperity, and the way to begin sharing the prosperity is to increase the minimum wage.

It is a simple step; that is, a simple public policy process. We do not need to raise taxes on anybody, we do not need to take away from one program to give to another; none of the problems that we find in the regular budget and appropriations process is necessary in a public policy change which says, raise the minimum wage. That is the law. We have to raise the minimum wage.

I want to congratulate my colleagues who are concerned about this. Democrats have introduced several bills this year on the raising of the minimum wage.

The gentleman from Illinois (Mr. GUTIERREZ) has introduced H.R. 182, a bill to provide a minimum wage for employees on the Federal contracts worth more than $10,000. A full-time worker would be paid either the amount of the official poverty level income for a family of four, or he would be paid $7.50 an hour, whichever is greater. This is what we call a living wage, which is different from the minimum wage, and some cities and States have enacted laws which require that living wages be paid to workers who are working for companies that have government contracts. The living wage in this case that the gentleman from Illinois (Mr. GUTIERREZ) advocates is $7.50 an hour.

The gentleman from Minnesota (Mr. VENTO) has a bill, H.R. 370, which provides for the wages paid under a Federal contract in a business that has more than 15 employees, and it requires that the wages must be greater than the local poverty line, which means that from one part of the country to the other, one would have a different minimum wage. One starts with the minimum wage, but in areas where the poverty line, the cost of living is calculated as below the poverty line, we would have differences. It would go up above the minimum wage.

The gentleman from Massachusetts (Mr. OLVER) has H.R. 685, a bill to raise the minimum wage in steps that would take it up to $6.50 an hour by July 1 of the year 2000.

The gentleman from California, (Mr. DELLUMS), before he left, had a bill to establish a living wage for all jobs. The gentleman from Michigan (Mr. BONIOR) has a bill to amend the Fair Labor Standards Act to raise the minimum wage in steps to $7.25 per hour by September 1 in the year 2002.

The gentleman from Vermont (Mr. SANDERS) has a bill which would raise the minimum wage in one step, just one step. Immediately he wants to raise it to $6.50 an hour. The gentleman from Michigan (Mr. BONIOR) has another bill to raise the minimum wage in steps to $6.65 an hour, to reach $6.65 an hour, by September 1, 2000.

Many of these bills have an indexing provision, which means every year automatically, as the cost of living is going up, the wages would go up, too, and you reach these levels. Of course, we have the gentleman from Michigan's (Mr. BONIOR) bill, which is in harmony with the President's proposal, and that is a bill to increase the minimum wage by 50 cents in two steps, 50 cents in two steps would mean a dollar increase, to bring up the minimum wage level to $6.15 by January 1 in the year 2000.

All of these, by the way, would still mean that the minimum wage is behind the cost of living. We would never catch up even if any one of these generous bills were enacted.

Senator KENNEDY, in the other body, has similar legislation. The legislation that all Democrats have subscribed to as a party, of course, is the President's proposal to increase the minimum wage by 50 cents in two steps, fifty cents in two steps, to take it to $6.15 by the year 2000.

It is a simple proposition, but why is it not enacted? Because the Republican majority is hostile to working people. Working families are viewed with hostility. It is not a matter that they want to save money. Money is not the problem. Money becomes a problem in their hostility in other areas.

In the area of education, they are hostile toward working families so they do not want to improve public schools by even giving decent places for children to study.

Construction, new school construction, the wiring of schools for technology, a basic investment in the school system is not supported by the Republican majority.

They do not want to give a tax cut. They want to give a tax cut, but not to the working poor.

So we have money. The hostility of the Republicans toward the poor people is reflected in money issues, and the policies related to budgets and appropriations, but the minimum wage is not a budget appropriations issue. It is a matter of public policy which says we are in charge. We want a public policy which says that the present prosperity of America, where the Dow Jones average is above 9,000, where people who have investments are realizing 20 and 25 percent on their investments, it is unprecedented and we are all proud of it. It is wonderful.

The riches of America and the kind of empower we have economically now would make the Roman Empire look like a village. We have unprecedented wealth, and the wealth is getting greater, and probably it is going to go on for a little while longer because as the economies shrink in other parts of the world, instead of them dragging down the economy of the United States, most people have not thought about the fact that the economy of the United States will go up, because every rich person in every country that is having economic difficulty will want to invest their money in America. They will want to come to the stock market here and invest their money.

So you are going to have a boom for quite a while as the people who have capital to invest run away from the difficult problems of other nations and they run to this country. So we have prosperity that is probably going to continue for some time.

We want working families to share in that prosperity.

Mr. Speaker, I want to shift gears at this point and say that the working families should be included in the deal that is going to be made at the end of this session. I have talked about public policy first, raising the minimum wage, and public policy as reflected through the budget and appropriations process means that you invest in education, public education, because that is where working families get their education. You invest in the summer youth employment program. You invest in LIHEAP because you keep poor working families alive during the wintertime when they need money. Certain families do not have enough money to buy fuel for their homes, and we established this a long time ago, so why is Republican majority going to take heat away from elderly families in the wintertime; why at a time when we have a budget surplus that is going to be quite a significant amount of money?

□ 1515

By the way, the budget surplus, according to the latest pronouncements of the Congressional Budget Office, on July 15, 1998, a couple days ago, the Congressional Budget Office projects that the Federal budget for fiscal year 1998 will record a total surplus of $63 billion. They were very conservative at the beginning of the year, when the President made his State of the Union address. There was a conservative estimate that we may have an $8 billion surplus, there may be $8 billion more revenue than projected expenditures. Now we have gone from $8 billion to $63 billion. That is what we are looking at now.

These are still conservative estimates. As I said before, they point out that a large part of this surplus is due to the Social Security fund, that people paying into Social Security have increased that fund greatly, and that is why I said that the first tax cut ought to be a cut in payroll taxes for poor people. But this is clearly established, the Congressional Budget Office figures have to be accepted by both Democrats and Republicans. The President and the White House must accept it. The

majority in the Senate and the House, the minority, we are talking about $63 billion.

Working families must be included in the coming end-of-the-session deal where they decide how they are going to handle that $63 billion. There is a lot of sham taking place right now. People are saying, well, that money should not be touched. Some people are saying it should not be touched because Social Security needs the money in the future so we should hold it as a contingency fund for Social Security. We should see what is going to happen with Social Security.

We have a lot of things to work out. There is a commission. The commission has come up with a proposal that we extend the retirement date, instead of people retiring at 67, used to retire at 65, in a few years 67 is going to go into effect, they want to extend it to 70. That is the worst thing that could happen.

A lot of poor people who work all their lives and pay into Social Security, you will not ever see your Social Security. Certainly in the African American community, the statistics show that a large percentage of our workers never reach 65. They never get a chance to enjoy their Social Security right now. If you move it to 67 and then 70, you are taking away from the people who need it the most.

I am not in favor of that proposal that I hear out there on its way to move the date, the age for which you are eligible for your Social Security back to age 70. I think it outrageous. That is more hostility toward working families.

Let us come closer to home. There is going to be a deal made before this session ends, before we leave here, there is going to be a deal made between the White House and the majority in the Congress in the House and Senate, it is a pattern now, you do not have to be a genius to figure out what is going to happen. We have a situation where now there are disagreements between the Democrats and the Republicans. The Democrats have some power because we have the White House controlled by a Democratic President. He has veto power. The Republicans, of course, control both the Senate and the House.

They are going to pass these very regressive bills which penalize working families. They have already started. I just gave some examples. We are not going to be able to stop them from passing a bill next week which cuts the summer youth employment program. We will not be able to stop the majority from passing a bill which cuts the LIHEAP program, takes away the fuel for elderly people in the winter. We will not be able to stop them from passing a bill which refuses to appropriate any money for school construction or to lower the school class sizes.

They have a hokey report that just came out which accuses schools of wasting money, and they want to consolidate it with a flat grant, a block grant. They are ignoring the public on matters of education. The Republicans have chosen just to ignore the public completely.

The public opinion polls, which we take under consideration for so many other issues, the public opinion polls clearly show that the top priority of Americans is Federal involvement in education. The Federal Government they want to set, they want to set education as a top priority. They want participation by the Federal Government.

They have these problems that they recognize in public education, private education, too, higher education, elementary, secondary education, these are problems which affect the whole Nation, and the voters are already much wiser than the Members of Congress. They are wiser than the leadership of either party, because neither party is really proposing the kind of education reform that is needed.

The education system that we ought to have is not on either agenda. Democrats have a better agenda and that is all we have at this point so let us get behind it. But we need a massive program to revamp education. Massive program to take the first step and guarantee that every child has a physical facility that is safe, free of hazards and conducive to learning. Just construction, a one-time expenditure does not mean you put a local school board on the dole and they will be always looking for the Federal Government. You make a one-time expenditure to build a new school or to enlarge a school, to modernize a school, to get rid of the asbestos that threatens the health of the kids, to take out the coal burning furnaces. We have 285 coal burning furnaces. I think they reduced it now, coal burning furnaces in the schools of New York. Those furnaces are health hazards. Let us take them out. It is a one-time expenditure.

So we need to make that expenditure, and voters out there are saying, when you take a poll, yes, the Federal Government should do this. We are not afraid of the Federal Government controlling our schools. We want more Federal participation to solve problems. They are saying this, but we are responding as Democrats, in my opinion, with a Mickey Mouse response. We are not emphasizing enough the President's $22 billion construction proposal. We are ready to settle for less. That is a fraud.

To settle for less means that you are saying we want to increase the number of teachers so that the ratio of teachers to students will be better. One teacher will not have to have so many students. We want to improve reading. We want to do a lot of things step one, two, three.

But if you do not have new construction, modernization in New York and some other big cities, you cannot decrease the teacher/student ratio. You cannot make a better ratio. There is no-where for the classes to go. In order to have smaller classes, you need classrooms. You need to build some more classrooms. Overcrowding is a major problem in the big cities and in some rural areas the schools are literally tumbling down. They are unsafe. We have problems which a one-time expenditure on the order of what President Clinton has proposed, I would like to see it be more, $22 billion, that is really a loan program.

I think we need a grant program to go along with that loan program. And between now and the time the deal is made in October, we ought to really raise the level of the voice of the voters so that they will hear us. The voters are saying it, but they are not saying it loud enough.

The voters are saying they want education assistance of great significance, but the message does not seem to be coming through our elected officials who are on this floor and the other body. We must all unite behind an effort to make certain that when the deal is made, when the President vetoes the appropriations bills that are hostile to working families, they come back to the House, they do not have enough votes to override the vetos, there will be negotiations. This pattern has taken place for the last 10 years, when President Bush was in the White House and President Reagan, you had Democrats controlling the Congress and you had a Republican President the under Bush and Reagan. Now we have Republicans controlling Congress, and you have a Democrat in the White House. The only way to resolve the differences will be negotiations where the President and the White House, leaders of the Congress, the elected minority leaders, too, but sometimes they do not, they will be there negotiating. The deal will be made about differences in the appropriations bills.

There is another deal that is going to be made at the same time. What we do with the $63 billion surplus. Here is a window of opportunity, $63 billion. Let us talk now to the President and to the leaders of Congress about how we want the deal to go down.

We do not want a deal made in a smoke-filled room at the last minute and working families end up being left out. We must all unite behind an effort to make sure that when the deal is made as to how to spend this $63 billion, and it is going to be done, the Republicans have made it quite clear, they want a tax cut. They want a large part of that to go for tax cuts. They are not saying they want it out of the surplus. They just imply it.

The President has said most of the money should go to Social Security. I agree. If you had only $8 billion, Mr. President, if you had only 8 billion, then let the $8 billion that you have projected in the State of the Union address go toward continued support for Social Security. But we have more than $8 billion. We have almost eight times that much. So if you have $63 billion, why can we not follow a formula?

Why can we not have a deal in October and talk to the American people about the deal now, where one-fourth of the surplus goes toward a contingency fund for Social Security. After all, Social Security revenue is generating most of the money, one-fourth goes toward a contingency fund for Social Security, one-fourth goes toward a tax cut, and the tax cut should start with a tax cut for the people who make $50,000 or less, families that make $50,000 or less, a cut in the payroll taxes. Then one-fourth can go toward school construction and related matters like technology, wiring the schools. And one-fourth can go for other education purposes, including higher education, because in the higher education bill that we passed, there is no modernization for the infrastructure of college campuses, the E rate which we have at least come up with as a concept. It has not been implemented fully yet, but the E rate which discounts telecommunications fees for elementary and secondary schools and libraries does not apply to colleges.

Colleges need to have help in training our workers for the future in information technology. So let us unite behind a four-way split, a deal which we will call the caring majority of appropriations priorities for working families. That deal means, first, I said one part does not cost it anything, an increase in the minimum wage. The rest of the deal is a tax cut for families that are working, an insurance marker for Social Security, school construction program, an investment. School construction will help us to provide the classrooms which will enable us to have smaller class sizes, and part of that school construction program should be in grants, not just loans, $22 billion in loans. The Federal Government paying an interest rate is a good deal for localities and States, but not good enough.

Big cities, places where you have emergency situations ought to also be recipients of some grants, and those grants should be right away.

So we have a package which we can call the caring majority appropriations priorities package for working families. I call on the black caucus, I call on the Hispanic caucus, the women's caucus, the blue dogs, I call on all of the Members who care about people to take a look at this appropriations priorities package for working families.

Between now and the time the deal is made, let us push in the appropriations bills to get a high visibility for these expenditures that are needed. And when that fails and the vetoes take place and the deals are being negotiated at the White House, let us keep up a steady drumbeat with the public so that the deals are deals which help working families. When they come out of the negotiations, we will have an agenda, a set of expenditures in this year of 1998, 105th Congress, that benefits working families.

We will not have this opportunity in the future very soon. We will not have a surplus like this for a long time. We will not have our chance to make the investments now in education that are needed now. We need to jump start the education reform process by giving some real Federal aid and stop playing games with it.

Last time the Committee on Appropriations came up with $145 million for a school reform package, $145 million. Now, even if that school reform package was successful, it is still a drop in the bucket. It will not do very much in terms of reforming education. The $145 million is being accused by the Republican majority as if it was a $50 billion program. The same criticisms, the same attention has been focused on it.

So we do not need, appropriations committee members, the message to them is, we do not need another whimpish little piece, bone, crumb thrown to education. We need a significant effort to reform education, and that requires Federal dollars.

Look at the voters, look at what the voters are saying, and you will find that I am not standing here as a New York left wing radical or somebody who is way out of touch with the people. I am in touch with the voters.

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The voters say education comes first. This year, this 105th Congress has an unprecedented window of opportunity. Before we adjourn we should act to share the prosperity with working families. We have a Dow Jones average which is above 9,000. Unprecedented. We have unprecedented money being made, returns on investments. Let us take advantage of that.

In education we can create a partnership with the States to address the crumbling and overcrowded schools. We can help communities reduce class size by hiring and training new teachers. We can help schools integrate technology into the classroom and train teachers in using that technology effectively. And we can assist high poverty, urban, and rural school districts that are serious about carrying out standards-based reform plans to improve student achievement levels.

We can also refund the summer youth employment program so that summer youth will have employment opportunities, those who need it most. This is only for low-income youth. The working families out there need some help in terms of their kids getting summer jobs.

We should refund the LIHEAP program for our poor elderly people in the wintertime, who are members of working families also and should be included in the benefits of our prosperity.

There is something called earned income versus unearned income, and we ought to take a look at that. That phrase was coined by economists a long time ago. Earned income is the income that people get from wages and salaries. So most of the working families in America, they have what we call earned income.

Do my colleagues know that earned income is taxed at a greater rate than unearned income? Again, these are not my terms. Economists have been using these terms for years. Taxes on earned income, wages, salaries and retirement pay, produce 85 percent of all personal income taxes, but only 15 percent brought in by taxes of unearned income. What is unearned income? That is the taxes on the income that we earn with our stocks and bonds, investments, especially capital gains.

Capital gains stocks have skyrocketed from $5 trillion in 1994 to $12 trillion in capital gains, and most of those capital gains, that $12 trillion, will never be taxed unless the tax laws are changed. So the unearned income out there is not being taxed, but we are still taxing earned income.

That is why I said one of the pieces in this package, the Caring Majority Appropriations Priorities Package for Working Families, has to be a tax cut for the poor. Taxes on earned income, income and Social Security is what I call earned income, brings in over 70 percent of all Federal tax revenue compared with only 9 percent for unearned income. For every dollar of tax revenue produced by earned income, unearned income, income from investments and stocks and bonds, et cetera, brings in only about 13 cents. Why? Because every dollar of earned income goes on the tax return and it is fully taxed. It goes on our returns and we cannot escape having the tax. The only exceptions, of course, are some low-income people who are given an earned income tax credit.

By contrast, there are all kinds of huge loopholes, exceptions and special provisions for unearned income, especially for huge capital gains being made in the stock market right now. If we eliminated or cut back these huge loopholes that favor unearned income, especially capital gains, then we could cut everybody else's taxes. We could cut the working families' taxes by taking a bigger bite out of the unearned income taxes.

I want to conclude, Mr. Speaker, by saying that we only have a few days left. Let me start where I began. Between now and the end of the first week in August, when we go in recess, there will be numerous appropriations bills passed. Most of those appropriations bills indicate great hostility toward working families. One item after another.

We are debating right now the HUD-VA bill. Public housing over the last 5 years under the Republican majority has suffered more than any other Federal program. Public housing has been devastated by the Republican majority. They have no mercy with respect to housing, and housing is where our family begins. If a family does not have a decent house, a decent home, they are in serious trouble.

Housing is one of the problems with education. Many of the teachers complain that the poor families are constantly moving because they are seeking better housing. They have problems

with the housing that they have. So housing is bedrock to families. If we care about families, then we have to care about housing. And what we are doing right now on the floor, and we will continue next week when we come back, is to continue to devastate the supply of housing for the poor.

We will follow that with education. Next week I understand the Labor and HHS appropriation bill will be on the floor, and that is where we have the denial of the opportunity to invest in education. We must all unite now behind a Caring Majority Appropriations Priorities Package for Working Families.

Every Member of the House who cares about families, and everybody says they care about families, I hope they will open their eyes and see what helps families and what hurts families. It hurts families not to have a decent minimum wage. It hurts families not to have as much help as possible from the government to guarantee that their children get an education which would allow them to move out of poverty. It hurts families when emergency help from programs like LIHEAP, the provision of fuel for the elderly, is denied, because that means that the family somewhere else has to make some sacrifices to take care of the elderly people.

We must all unite behind the Caring Majority Appropriations Priorities Package for working families. End the hostility and let us promote working families.

LEAVE OF ABSENCE

By unanimous consent, leaves of absence were granted to:

Ms. HARMAN (at the request of Mr. GEPHARDT) for today on account of illness in the family.

Ms. MILLENDER-MCDONALD (at the request of Mr. Gephardt) for today on account of personal 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. MEEHAN) to revise and extend their remarks and include extraneous material:)

Mr. CONYERS, today, for 5 minutes.

Mr. ENGEL, today, for 5 minutes.

Ms. WATERS, today, for 5 minutes.

Mrs. CLAYTON, today, for 5 minutes.

(The following Members (at the request of Mr. HULSHOF) to revise and extend their remarks and include extraneous material:)

Mr. HULSHOF, today, for 5 minutes.

Mr. TIAHRT, today, for 5 minutes.

Mr. DREIER, today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HULSHOF) and to include extraneous material:)

Mr. LEWIS of California.

Mr. PAUL.

Mr. SMITH of Michigan.

Mr. DUNCAN.

Mr. GILMAN.

Mr. GOODLING.

Mr. RIGGS.

Mrs. ROUKEMA.

(The following Members (at the request of Mr. MEEHAN) and to include extraneous material:)

Mr. KIND.

Mr. ALLEN.

Mr. LIPINSKI.

Mr. OBERSTAR.

Mr. MILLER of California.

Mr. LANTOS.

Mr. SERRANO.

Mr. STARK.

(The following Members (at the request of Mr. OWENS) and to include extraneous material:)

Mr. LOBIONDO.

Mr. SABO.

Mr. CONYERS.

Mrs. MYRICK.

Mr. CLYBURN.

Mr. OWENS.

Mr. HALL of Texas.

Mr. BALDACCI.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following titles was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 88. Concurrent resolution calling on Japan to have an open, competitive market for consumer photographic film and paper and other sectors facing market access barriers in Japan; to the Committee on Ways and Means.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 3156. An act to present a congressional medal to Nelson Rolihlahla Mandela.

H.R. 2870. An act to amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests.

H.R. 1273. An act to authorize appropriations for fiscal years 1998 and 1999 for the National Science Foundation, and for other purposes.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 37 minutes p.m.), under its previous order, the House adjourned until Monday, July 20, 1998, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

10038. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; District of Columbia, Virginia, Maryland; 1990 Base Year Emission Inventory for the Metropolitan Washington, DC Ozone Nonattainment Area [DC038–2009a, MD058–3026a, VA083–5035a; FRL–6120–6] received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10039. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Revised Format for Materials Being Incorporated by Reference for New Mexico and Albuquerque [NM35–1–7366; FRL–6118–4] received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10040. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; District of Columbia; 15 Percent Plan for the Metropolitan Washington, D.C. Ozone Nonattainment Area [SIPTRAX No. DC–25–2010a; FRL–6120–3] received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10041. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 049–109a; FRL–6118–3] received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10042. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Maintenance Plan Revisions; Ohio [OH115–2; FRL–6120–7] received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10043. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Sodium Chlorate; Extension of Exemption from Requirement of a Tolerance for Emergency Exemptions [OPP–300673; FRL–5795–8] (RIN: 2070–AB78) received July 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10044. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan; Indiana [IN84–1a; FRL–6114–8] received June 25, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10045. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the report on military expenditures for countries receiving U.S. assistance, pursuant to section 511(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993; to the Committee on International Relations.

10046. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29248; Amdt.

No. 1873] (RIN: 2120–AA65) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10047. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29249; Amdt. No. 1874] (RIN: 2120–AA65) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10048. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of VOR Federal Airway V–405; NY [Airspace Docket No. 97–AEA–30] (RIN: 2120–AA66) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10049. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of VOR Federal Airway V–605; and Withdrawal of Proposal to Establish VOR Federal Airway V–603; SC [Airspace Docket No. 95–ASO–22] (RIN: 2120–AA66) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10050. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Kotzebue, AK [Airspace Docket No. 98–AAL–5] received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10051. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Empresa Brasileira de Aeronautica S.A. (EMBRAER) Model EMB–120 Series Airplanes [Docket No. 97–NM–304–AD; Amendment 39–10620; AD 98–13–29] (RIN: 2120–AA64) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10052. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Gulfstream Aerospace Corporation Model G–159 (G-I) Airplanes [Docket No. 97–NM–302–AD; Amendment 39–10621; AD 98–13–30] (RIN: 2120–AA64) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10053. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Empresa Brasileira de Aeronautica, S.A. (EMBRAER), Model EMB–145 Series Airplanes [Docket No. 98–NM–181–AD; Amendment 39–10625; AD 98–13–34] (RIN: 2120–AA64) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10054. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737–100, -200, -300, -400, and -500 Series Airplanes [Docket No. 98–NM–178–AD; Amendment 39–10611; AD 98–11–52] (RIN: 2120–AA64) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10055. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: San Francisco Bay, San Francisco, CA [COTP San Francisco Bay; 98–011] (RIN: 2115–AA97) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10056. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: San Francisco Bay, San Francisco, CA [COTP San Francisco Bay; 98–010] (RIN: 2115–AA97) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10057. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Qualifications for Tankermen and for Persons in Charge of Transfers of Dangerous Liquids and Liquefied Gases [CGD 79–116] (RIN: 2115–AA03) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10058. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Burlington Independence Day Fireworks, Burlington Bay, Vermont [CGD01–98–058] (RIN: 2115–AA97) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10059. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Independence Day Celebration Fireworks, Wards Island, East River, New York [CGD01–98–070] (RIN: 2115–AA97) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10060. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: City of Yonkers Fireworks, New York, Hudson River [CGD01–98–044] (RIN: 2115–AA97) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10061. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Cellular One Offshore Cup; San Juan Bay and North of Old San Juan, Puerto Rico [CGD07–98–037] (RIN: 2115–AE46) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10062. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Independence Day Celebration Cumberland River miles 190–191, Nashville, TN [CGD08–98–025] (RIN: 2115–AE46) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10063. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Anchorage Area: Groton, CT [CGD01–97–014] (RIN: 2115–AA98) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

10064. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Deerfield Beach Super Boat Race, Deerfield Beach, Florida [CGD07–98–024] (RIN: 2115–AE46) received June 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 4058. A bill to amend title 49, United States Code, to extend the aviation insurance program, and for other purposes (Rept. 105–632). Referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3249. Referral to the Committee on Ways and Means extended for a period ending not later than July 20, 1998.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CANNON (for himself, Mr. REDMOND, Mr. HAYWORTH, and Mr. MCINNIS):

H.R. 4263. A bill to authorize an interpretive center and related visitor facilities within the Four Corners Monument Tribal Park, and for other purposes; to the Committee on Resources.

By Mr. ROGERS:

H.R. 4264. A bill to establish the Bureau of Enforcement and Border Affairs within the Department of Justice; to the Committee on the Judiciary.

By Mr. SMITH of Oregon (for himself, Mr. COMBEST, Mr. BARRETT of Nebraska, Mr. EWING, Mr. POMBO, Mr. THUNE, Mr. DOOLITTLE, Mr. LUCAS of Oklahoma, Mr. LEWIS of Kentucky, Mr. LAHOOD, Mr. BRYANT, Mrs. EMERSON, Mr. COOKSEY, Mr. BOEHNER, Mrs. CHENOWETH, Mr. EVERETT, Mr. PICKERING, Mr. SMITH of Michigan, Mr. MORAN of Kansas, Mr. JENKINS, Mr. CHAMBLISS, Mr. FOLEY, Mr. CANADY of Florida, Mr. HOSTETTLER, Mr. BLUNT, Mr. BOB SCHAFFER, Mr. THORNBERRY, Mr. LATHAM, Mr. BUYER, Mr. JONES, Mr. WATTS of Oklahoma, Mr. WATKINS, Mrs. CUBIN, Mr. NETHERCUTT, Mr. GUTKNECHT, Mr. SKEEN, Mr. SESSIONS, Mr. WHITE, Mr. HASTINGS of Washington, Mr. CRAPO, Mr. GANSKE, Mr. NUSSLE, Mr. THOMAS, Mr. LEACH, Mr. BUNNING of Kentucky, Mr. STUMP, Mr. BRADY of Texas, Mr. PAUL, Mr. MCCRERY, and Mr. MCINTOSH):

H.R. 4265. A bill to amend the Agricultural Market Transition Act to provide for the advance payment, in full, of the fiscal year 1999 payments otherwise required under production flexibility contracts; to the Committee on Agriculture.

By Mr. BALDACCI (for himself, Mr. LATOURETTE, Mr. KLINK, Mr. DOYLE, Mr. POMEROY, Mr. FARR of California, Ms. DELAURO, Mr. ACKERMAN, Mr. ALLEN, Mr. SANDERS, Mr. HINCHEY, Mr. GEJDENSON, Mr. COBURN, Mr. FAZIO of California, Ms. KAPTUR, and Mr. BLUMENAUER):

H.R. 4266. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide for improved public health and food safety through enhanced enforcement; to the Committee on Agriculture.

By Mr. DEFAZIO (for himself and Ms. HOOLEY of Oregon):

H.R. 4267. A bill to modify the requirements for paying Federal timber sale receipts; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DUNCAN (for himself, Mr. SHUSTER, Mr. YOUNG of Alaska, Mr. SMITH of Oregon, Mr. HANSEN, Mr. OBERSTAR, Mr. LIPINSKI, Mr. ENSIGN, and Mr. GIBBONS):

H.R. 4268. A bill to amend title 49, United States Code, to regulate overflights of National Parks, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FORBES (for himself and Mrs. KELLY):

H.R. 4269. A bill to amend the Securities Exchange Act of 1934 to reduce fees on securities transactions; to the Committee on Commerce.

By Mr. MILLER of Florida (for himself and Mr. WHITE):

H.R. 4270. A bill to require that, as part of the 2000 decennial census of population, certain questions be asked concerning the availability of a personal computer in the home and access to the Internet; to the Committee on Government Reform and Oversight.

By Mr. RIGGS (for himself, Mr. GOODLING, Mr. BARRETT of Nebraska, Mr. GREENWOOD, and Mr. PETERSON of Pennsylvania):

H.R. 4271. A bill to amend the Community Services Block Grant Act to reauthorize and make improvements to that Act; to the Committee on Education and the Workforce.

By Mr. THUNE (for himself, Mr. LUCAS of Oklahoma, and Mr. MORAN of Kansas):

H.R. 4272. A bill to amend the Agricultural Market Transition Act to provide an alternative single payment for production flexibility contracts; to the Committee on Agriculture.

By Mr. DELAY (for himself, Mr. SNOWBARGER, Mr. GINGRICH, Mr. ARMEY, Mr. BOEHNER, Mr. GILMAN, Mr. COX of California, Mr. SOLOMON, Mr. ROHRABACHER, Ms. DUNN of Washington, Mr. BERMAN, Mr. ACKERMAN, Mr. WATTS of Oklahoma, Mr. MILLER of Florida, Mr. KING of New York, Mr. DEUTSCH, Mr. ANDREWS, Mr. CHABOT, Mr. BOB SCHAFFER, Mr. BROWN of Ohio, Mr. HOSTETTLER, Mrs. MYRICK, Mr. TIAHRT, Mr. SUNUNU, Mr. NETHERCUTT, Mr. SCARBOROUGH, Mr. BACHUS, Mr. BLUNT, Mr. BLILEY, Mr. LATHAM, Mr. FOSSELLA, Mr. SHADEGG, Mr. COBURN, Mr. HASTINGS of Washington, Mrs. CUBIN, and Mr. JEFFERSON):

H. Con. Res. 301. Concurrent resolution affirming the United States commitment to Taiwan; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. Stupak introduced a bill (H.R. 4273) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Viking;* which was referred to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Mr. NORWOOD and Mr. GIBBONS.

H.R. 68: Mr. FRANK of Massachusetts.

H.R. 322: Mr. FRANKS of New Jersey.

H.R. 457: Mr. MINGE.

H.R. 611: Mr. WEYGAND.

H.R. 693: Mr. TAYLOR of North Carolina.

H.R. 1126: Mr. HILLIARD, Mr. JACKSON, and Ms. WATERS.

H.R. 1231: Mr. BRADY of Pennsylvania.

H.R. 1289: Ms. CARSON and Ms. MILLENDER-MCDONALD of PENNSYLVANIA.

H.R. 1322: Mrs. BONO.

H.R. 1401: Mr. CAMP.

H.R. 1628: Mr. ROMERO-BARCELO, Mr. FROST, Mrs. KENNELLY of Connecticut, Mr. LANTOS, Ms. NORTON, Mr. WYNN, and Mr. SANDLIN.

H.R. 2031: Mr. WATTS of Oklahoma, Mrs. MEEK of Florida, Mr. FATTAH, Mr. TORRES, Ms. LEE, and Ms. KILPATRICK.

H.R. 2139: Ms. STABENOW.

H.R. 2478: Mr. HOBSON.

H.R. 2499: Mr. BURTON of Indiana, Mr. SHIMKUS, Mr. LOBIONDO, Mr. LEWIS of Kentucky, and Mr. HINOJOSA.

H.R. 2721: Mr. CRANE.

H.R. 2817: Mr. SUNUNU, Ms. CARSON, Mr. EHRLICH, Mr. BLAGOJEVICH, Ms. SANCHEZ, Mr. MANZULLO, Mr. HOSTETTLER, Mr. HILLEARY, and Mr. MCKEON.

H.R. 2819: Mr. HOSTETTLER, Mr. SHERMAN, and Mr. GOODE.

H.R. 2850: Mr. LEVIN.

H.R. 2884: Mr. BOSWELL and Mr. FRANKS of New Jersey.

H.R. 2951: Mr. NETHERCUTT.

H.R. 3032: Mr. SCHUMER, Mr. DAVIS of Virginia, and Mr. SCARBOROUGH.

H.R. 3205: Mr. HINOJOSA and Mr. LUCAS of Oklahoma.

H.R. 3236: Mr. FALEOMAVAEGA, Mr. ROHRABACHER, Mr. LEACH, Mr. GRAHAM, Mr. HYDE, Mr. YOUNG of Florida, Mr. SANFORD, Mr. BLUNT, and Mr. MATSUI.

H.R. 3240: Ms. CHRISTIAN-GREEN.

H.R. 3248: Mr. HALL of Texas.

H.R. 3269: Ms. CHRISTIAN-GREEN.

H.R. 3290: Ms. SANCHEZ, Mr. JACKSON, and Mr. WATT of North Carolina.

H.R. 3382: Mr. WATTS of Oklahoma and Mr. BLUNT.

H.R. 3523: Mr. PITTS and Mrs. BONO.

H.R. 3541: Mrs. LOWEY and Mr. KING of New York.

H.R. 3567: Mr. HEFLEY.

H.R. 3568: Mr. KLECZKA, Mr. MALONEY of Connecticut, Mr. MILLER of California, Mr. HOLDEN, Mr. OLVER, and Mr. PAYNE.

H.R. 3783: Mr. GANSKE.

H.R. 3792: Mr. SCARBOROUGH, Mr. RILEY, and Mr. REDMOND.

H.R. 3855: Ms. MCCARTHY of Missouri, Mr. RODRIGUEZ, Ms. DELAURO, Ms. ESHOO, Mr. GREEN, Mr. BENTSEN, and Mr. ENGLISH of Pennsylvania.

H.R. 3870: Mr. BAUCHUS, Mr. BALLENGER, Ms. FURSE, Mr. PEASE, Mr. GORDON, Mr. JONES, Mr. HINCHEY, Mr. THUNE, Mr. CLEMENT, Mr. BRYANT, and Mrs. CUBIN.

H.R. 3991: Mrs. NORTHUP.

H.R. 4007: Mrs. MORELLA and Mr. JEFFERSON.

H.R. 4034: Ms. BROWN of Florida and Mr. SANDLIN.

H.R. 4061: Mr. DEAL of Georgia.

H.R. 4065: Mr. BURTON of Indiana and Mrs. EMERSON.

H.R. 4093: Ms. SLAUGHTER.

H.R. 4134: Mr. PETERSON of Minnesota and Mr. KUCINICH.

H.R. 4155: Mr. SHAYS and Ms. PRYCE of Ohio.

H.R. 4175: Mr. MCGOVERN, Mr. UNDERWOOD, Mr. ANDREWS, Mr. DAVIS of Illinois, and Mr. BERMAN.

H.R. 4220: Mr. NEY.

H.R. 4232: Mr. SESSIONS.

H.R. 4235: Mr. MCCRERY and Mr. LIVINGSTON.

H.J. Res. 71: Mrs. BONO.

H. Con. Res. 141: Ms. NORTON, Ms. LEE, and Mr. KENNEDY of Rhode Island.

H. Con. Res. 203: Mr. MANZULLO.

H. Con. Res. 208: Mr. KING of New York, Mr. SNOWBARGER, Mr. FOSSELLA, Mrs. NORTHUP, Mr. PRICE of North Carolina, Mr. PASCRELL, Mr. JOHNSON of Wisconsin, Mr. ROYCE, Mr. BAESLER, Mr. WALSH, Mr. FOLEY, Mr. COMBEST, Mr. VENTO, Mrs. KENNELLY of Connecticut, Mr. MCKEON, Mr. KIND of Wisconsin, Mr. COBURN, Mr. GOODLING, Ms. ROYBAL-ALLARD, Mr. KANJORSKI, Mr. POMEROY, Mr. STOKES, Mr. NEAL of Massachusetts, Mr. DUNCAN, Mr. ENGEL, Mr. ACKERMAN, Ms. LEE, Mr. GILCHREST, Mr. HILLIARD, Mr. FRANKS of New Jersey, Mr. FATTAH, Mr. ROEMER, and Mr. GOODLATTE.

H. Con. Res. 239: Ms. CHRISTIAN-GREEN.

H. Con. Res. 283: Mr. EHLERS, Ms. RIVERS, Mr. ALLEN, Ms. ROYBAL-ALLARD, Mr. WAXMAN, Mr. SOLOMON, Mr. BROWN of Ohio, Mr. PASCRELL, Mr. KING of New York, Mr. GOODLING, and Mr. MEEHAN.

H. Con. Res. 292: Mr. BURTON of Indiana.

H. Con. Res. 295: Mr. QUINN, Mr. HORN, Mr. MENENDEZ, Mr. MCNULTY, Mr. HINCHEY, Mr. KUCINICH, Mr. GUTIERREZ, Mr. BONIOR, Mr. NEAL of Massachusetts, Mrs. MEEK of Florida, Mr. MCGOVERN, Mr. KLECZKA, Mr. LATOURETTE, Ms. BROWN of Florida, Mr. COYNE, and Mr. ROHRABACHER.

H. Con. Res. 299: Mr. WATTS of Oklahoma and Mr. CRANE.

H. Res. 37: Mr. ORTIZ, Mr. YATES, Mr. JOHN, Mr. CLEMENT, Mr. HAMILTON, Mr. PICKETT, Mr. RANGEL, and Mr. TURNER.

H. Res. 313: Ms. EDDIE BERNICE JOHNSON of Texas.

H. Res. 460: Mr. KIND of Wisconsin, Ms. WOOLSEY, Mr. BOSWELL, and Mrs. CAPPS.

H. Res. 483: Mr. TORRES, Mr. SCOTT, Mr. JACKSON, and Mr. COYNE.

PETITIONS, ETC.

Under clause 1 of rule XXII,

67. The SPEAKER presented a petition of Citizens of the several States, relative to a petition from citizens of the several States entitled, ''No U.S. Money for U.N. Pensions''; which was referred to the Committee on International Relations.

DISCHARGE PETITIONS— ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 1 by Mr. YATES on House Resolution 141: Debbie Stabenow.

Petition 4 by Mrs. SLAUGHTER on H.R. 306: Fortney Pete Stark.

Petition 5 by Mrs. MALONEY of New York on House Resolution 467: Zoe Lofgren and Tom Lantos.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2183

OFFERED BY: MRS. SMITH OF WASHINGTON

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 166: In section 301(8) of the Federal Election Campaign Act of 1971, as amended by section 205(a)(1)(B) of the substitute, add at the end the following:

''(F) Nothing in subparagraph (A)(iii) or subparagraph (D) may be construed to treat

the submission by any person of a communication described in paragraph (20)(B) to a candidate, a candidate's authorized committee, or an agent acting on behalf of a candidate or authorized committee, or the collection by any person of such a communication from a candidate, a candidate's authorized committee, or an agent acting on behalf of a candidate or authorized committee as an item of value provided in coordination with a candidate for purposes of subparagraph (A)(iii).''.

H.R. 2183

OFFERED BY: MRS. SMITH OF WASHINGTON

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 167: In section 301(8)(C) of the Federal Election Campaign Act of 1971, as added by section 205(a)(1)(B) of the substitute, strike clause (vi) and redesignate the succeeding provisions accordingly.

In section 301(8)(C)(vi) of the Federal Election Campaign Act of 1971, as added by section 205(a)(1)(B) of the substitute (and as so redesignated), strike ''clauses (i) through (vi)'' in clause (vii) and insert ''clauses (i) through (v)''.

H.R. 2183

OFFERED BY: MRS. SMITH OF WASHINGTON

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 168: In section 301(8)(C)(v) of the Federal Election Campaign Act of 1971, as added by section 205(a)(1)(B) of the substitute, strike ''Federal office,'' and insert the following: ''Federal office (other than any discussion consisting of a lobbying contact under the Lobbying Disclosure Act of 1995 in the case of a candidate holding Federal office or consisting of similar lobbying activity in the case of a candidate holding State or local elective office)''.

H.R. 2183

OFFERED BY: MRS. SMITH OF WASHINGTON

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 169: In section 301(20)(B) of the Federal Election Campaign Act of 1971, as added by section 201(a) of the substitute, strike ''a printed communication'' and insert ''a communication which is in printed form or posted on the Internet and''.

H.R. 2183

OFFERED BY: MRS. SMITH OF WASHINGTON

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 170: In section 301(20)(B)(i) of the Federal Election Campaign Act of 1971, as added by section 201(a) of the substitute, strike ''2 or more candidates'' and insert ''1 or more candidates''.

H.R. 2183

OFFERED BY: MRS. SMITH OF WASHINGTON

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 171: In section 301(20)(B)(i) of the Federal Election Campaign Act of 1971, as added by section 201(a) of the substitute, insert before the semicolon the following: ''(other than information describing the opinion of the person publishing the communication on the record or position involved, if the information is clearly identified as describing the opinion of such person)''.

H.R. 4193

OFFERED BY: MS. FURSE

AMENDMENT NO. 7: Page 56, line 18, insert before the period at the end the following:

: *Provided,* That, of the funds made available in this paragraph, $130,176,000 shall be for timber sales management, $67,654,000 shall be for watershed improvements, and $188,018,000 shall be for recreation management

H.R. 4193

OFFERED BY: MS. FURSE

AMENDMENT NO. 8: Page 56, line 18, insert before the period at the end the following:

: *Provided,* That, of the funds made available in this paragraph, $130,176,000 shall be for timber sales management, $87,654,000 shall be for watershed improvements, and $168,018,000 shall be for recreation management.

H.R. 4193

OFFERED BY: MS. FURSE

AMENDMENT NO. 9: Page 68, after line 23, insert the following:

Of the funds made available in this title for ''Forest Service—National Forest System'', $130,176,000 shall be for timber sales management, $87,654,000 shall be for watershed improvements, and $168,018,000 shall be for recreation management.

The amount specified in this title under the heading ''Forest Service—Reconstruction and Construction'' for planned obliteration of roads is hereby increased by $25,000,000.

H.R. 4193

OFFERED BY: MS. FURSE

AMENDMENT NO. 10: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. ___. Of the funds made available in this Act for the National Forest System—

(1) not more than $130,176,000 may be expended for timber sales management;

(2) not more than $67,654,000 may be expended for watershed improvements; and

(3) not more than $188,018,000 may be expended for recreation management.

H.R. 4193

OFFERED BY: MS. FURSE

AMENDMENT NO. 11: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. ___. Of the funds made available in this Act for the National Forest System—

(1) not more than $130,176,000 may be expended for timber sales management;

(2) not more than $87,654,000 may be expended for watershed improvements; and

(3) not more than $168,018,000 may be expended for recreation management.

H.R. 4194

OFFERED BY: MR. ENGEL

AMENDMENT NO. 28: Insert at the end of the bill before the short title:

SEC. ___. It is the sense of the Congress that—

(1) States and local municipalities whose public water systems supplied by surface water sources are required by the Administrator of the Environmental Protection Agency (in this section referred to as the ''Administrator'') to adopt water filtration to meet national primary drinking water standards should be permitted, after a 4-month period, to apply to the Administrator for a determination that the system is not required to use filtration, based on information, technology, or evidence not available prior to the expiration of such 4-month period;

(2) after the State or local municipality submits to the Administrator information regarding an alternative means of meeting the national primary drinking water standards, the Administrator should consider and review such information; and

(3) if after a detailed review of the State or local municipality's alternative, the Administrator finds that the alternative does not comply with national primary drinking water standards, the Administrator should report back, within 90 days of the date on which the State or local municipality submitted information under paragraph (2), to the State or local municipality the Administrator's findings and rationale as to why the alternative to filtration does not comply with such standards.

H.R. 4194

OFFERED BY: MR. SCARBOROUGH

AMENDMENT NO. 29: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. ___. None of the funds made available in this Act may be used to carry out Executive Order 13083.

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PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, FRIDAY, JULY 17, 1998 *No. 96*

Senate

The Senate met at 9 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 Father, whose faithfulness is consistent, whose mercies are new every morning, and whose patience persists when we least deserve it, we praise You for bringing us through another week of work in this Senate. You have given the Senators strength and courage to battle for truth as they see it, deal with differences, and keep the bond of unity. This week has had times of conflict and contention and times of unity and oneness. Thank You for holding the Senators together with oneness as fellow patriots in spite of the wins and losses. The very nature of our system fosters party spirit and passionate debate, but You maintain the mutual esteem and trust required to continue to work together. Unseen but powerful Sovereign of all, we thank You for Your presence in this Chamber. Continue to grant us the virtue of humility that keeps us open to You and to one another. Through our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, the senior Senator from New Mexico, is recognized.

SCHEDULE

Mr. DOMENICI. Mr. President, in behalf of the majority leader, I have the following statement.

This morning the Senate will immediately proceed to a stacked series of rollcall votes with respect to the VA-HUD appropriations bill. The first vote in the series will be a 15-minute vote with all succeeding votes in the series being limited to 10 minutes each. Up to six rollcall votes can be expected. Hopefully, that series of votes will include passage of the VA-HUD appropriations bill.

Following disposition of that bill, the Senate is also expected to consider the legislative appropriations bill. However, any votes ordered with respect to the legislative branch appropriations bill will be postponed, to occur on Tuesday, July 21, the time to be determined by the two leaders.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, leadership time is reserved.

DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2168.

The legislative clerk read as follows:

A bill (S. 2168) making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Wellstone/Murray/McCain amendment No. 3199, to restore veterans tobacco-related benefits as in effect before the enactment of the Transportation Equity Act for the 21st Century.

Murkowski amendment No. 3200, to provide land allotments for certain Native Alaskan veterans.

Nickles amendment No. 3202, to provide for an increase in FHA single family maximum mortgage amounts and GNMA guaranty fee.

Burns amendment No. 3205, to provide for insurance and indemnification with respect to the development of certain experimental aerospace vehicles.

Sessions amendment No. 3206, to increase funding for activities of the National Aeronautics and Space Administration concerning science and technology, aeronautics, space transportation, and technology by reducing funding for the AmeriCorps program.

AMENDMENT NO. 3199

The PRESIDING OFFICER. The question is on agreeing to the Wellstone amendment. There are 2 minutes of debate equally divided.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DOMENICI. Mr. President, could we have order, please.

The PRESIDING OFFICER. The Senate will come to order.

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I offered this amendment on behalf of Senator MURRAY, Senator MCCAIN and myself. This amendment speaks to an injustice. This amendment would restore benefits to veterans for smoking-related diseases. We had a lot of smoke and mirrors, we did a lot of things in the budget resolution that we should not have done. We have never had an up-or-down vote.

What this amendment essentially says is we should not have used that offset for highways, taking benefits that go to veterans. It is that clear.

Mr. President, let me just be crystal clear. There have been a lot of OMB stories that I would question. I believe there will not be that much that will be required, but this funding ought to go to veterans. In fact, I would argue you will never get the $17 billion for highways, and we will ultimately have to go to surplus anyway. I have heard my colleagues talk about the surplus that we are going to have. We can at

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

least take a little bit of that surplus and give it back to veterans. We never should have taken their benefits away. It was an injustice. This amendment by Senator MURRAY, Senator MCCAIN, and myself would restore those benefits.

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

Mrs. MURRAY. Mr. President, as a member of the Appropriations Committee, I do strongly support the work of Chairman BOND and Senator MIKULSKI. I do not take challenging an appropriations bill lightly. However, in this instance, I feel strongly that I must join my colleagues Senator WELLSTONE and Senator MCCAIN in seeking to repeal the veterans grab contained in the recently adopted transportation and IRS legislation.

The bill before us today is a veterans bill. It funds health care and I thank the leaders of this subcommittee for increasing health care funding by more than $200 million. This increase in health care funding is my number one veterans priority. I also strongly support the subcommittee's work on VA medical research, the national cemetery system, and homeless veterans. These are all very important programs.

However, I continue to oppose the veterans offset used to fund increases in transportation. These cuts have been attached to politically popular bills. The transportation legislation and the IRS reform bill both passed by overwhelming and bipartisan margins. Both were admirable pieces of legislation with the exception of the veterans grab hidden within those bills.

I have been fighting this veterans grab all year. It was in the President's budget and I opposed it. At the Budget Committee, I voted against Democratic and Republican proposals that included the disastrous cuts to veterans health. And on the Senate floor, I voted against the Craig/Domenici amendment to validate the $10 billion cut in veterans funding and against the budget one final time in opposition to these cuts to veterans.

Just last week, I asked the Senate to sustain a point of order on the IRS reform bill to support my effort to strike the veterans cuts. That most recent effort failed by one vote. One vote.

My colleagues need to know that this issue is not going to go away. This issue has touched a nerve with America's veterans. They are deeply offended that the Congress and the Administration would divert money targeted to care for sick veterans to pay for other spending priorities. That's why Senator WELLSTONE, Senator MCCAIN, Senator ROCKEFELLER, and I will keep coming back.

Our efforts to repeal the $17 billion veterans grab have been denied through procedural maneuvers. Some may think this insulates them from accountability. It does not. Veterans know that procedural moves are being used to block a straight up or down vote on this issue.

This amendment is a special opportunity for the Senate. With our votes for Wellstone-Murray-McCain, we can send a very clear message to veterans all across our country. Passage says that the United States Senate recognizes that using veterans funding for other spending priorities is wrong. Passage of this amendment says to veterans that we are moving to restore this funding to where it belongs. The $17 billion belongs at the VA.

I urge my colleagues to support the Wellstone-Murray-McCain amendment to repeal the veterans cuts associated with the transportation legislation.

Mr. CONRAD. Mr. President, I want to express my strong support for the amendment offered by the Senator from Minnesota to restore veterans' disability benefits for smoking-related illnesses. Earlier this year, the Senate made a mistake. In order to help pay for the highway bill, it reduced veterans' disability benefits. Specifically, it overturned a decision by the General Counsel at the Department of Veterans' Affairs that smoking related illnesses were service connected and could qualify a veteran for VA disability and health benefits.

As I said, the Senate made a mistake when it did this, but I want the record to show that I strenuously opposed this mistake. Throughout the budget process and deliberations on the highway bill, I consistently opposed efforts to pay for the highway bill by reducing VA disability benefits. In fact, during consideration of the Senate Budget Resolution for Fiscal Year 1999, I voted against the Domenici amendment that cleared the way for this raid on veterans' benefits. And during consideration of the tobacco bill, I cosponsored the McCain amendment to use a portion of tobacco revenues to fund veterans' health benefits.

I took those actions and I support this amendment for one very simple reason. It's the right thing to do. We all know that the U.S. military encouraged the use of tobacco products by young service members. We all know that the tobacco companies provided cigarettes to the Pentagon free of charge. In return, the military for years distributed free cigarettes in C-rations and K-rations. Military training included smoking breaks. And until very recently, cigarettes were available on military bases at vastly reduced prices.

Mr. President, it could not be more clear that the Federal government has a responsibility to our veterans to help them cope with illnesses that they acquired after the government encouraged them to get hooked on tobacco products in the first place. The Federal government should not walk away from this responsibility. It should not deny veterans' benefits for smoking related illnesses.

This amendment rights the wrong we did to veterans earlier this year. It restores benefits to those who put their lives on the line for our country. When the Senate passed the highway bill, I assured veterans in my State that I would work to correct the injustice that it contained. This amendment does exactly that. I urge my colleagues to support the amendment.

Mr. FAIRCLOTH. Mr. President, as a veteran, I rise in strong support of this amendment to restore funds for service-related medical conditions that result from tobacco use. This amendment offers a chance to reverse that cut, which the Clinton Administration proposed earlier in this process, and to reiterate our commitment to veterans.

I voted for the transportation bill that included this cut because the bill increased North Carolina highway funds by more than $1.5 billion. I put a lot of hard work into that highway bill, and, certainly, there is not a member of the Senate more committed to a safe and efficient transportation infrastructure than I. However, after further review in the relevant committees over the past several months, this cut was exposed to some sunlight and revealed as a rush to judgment and a disservice to American veterans.

Frankly, this episode illustrates that we need to be better attuned to veterans issues, and we need to be more cautious about the effects of these provisions. As a veteran of the United States Army and the junior Senator from North Carolina, a State that is home to some 700,000 former soldiers, I cherish opportunities to serve our veterans. For example, I set up small constituent services offices across North Carolina to best service their needs, because I know that not all veterans—certainly not those wounded in the line of duty—are as mobile as the general population.

I urge the Senate to fulfill our commitment to American veterans. The facts are now clear. This amendment presents a clear choice. Yes or no. We stand with veterans or we do not. I choose to stand with those who served our flag and our nation in her times of need.

Mr. ROCKEFELLER. Mr. President, I support my colleagues, Senator WELLSTONE and Senator MURRAY, in their efforts to restore the veterans benefit that was unjustly cut to pay for unprecedented increases in the highway bill.

Adoption of this amendment would restore the former state of the law, by reinstating disability rights for veterans, while still fully preserving each and every highway project that was included in the highway bill and in the corrections bill that was covertly attached to the IRS Restructuring bill.

Prior to the enactment of the highway bill, the law required the payment of disability compensation to veterans who could prove that they became addicted to tobacco use while in military service, if that addiction continued without interruption, and resulted in an illness and in disability. The conference report on the highway bill rescinded this compensation to disabled veterans, generating $17 billion in ''paper savings'' to fund an unprecedented increase in ISTEA.

Of course, anyone familiar with these claims for compensation for tobacco-related illnesses knows that OMB's cost estimate is just a guess. Since 1993, VA has received less than 8,000 claims, and has only granted between 200–300. In arriving at its $17 billion estimate, the Administration, for some unexplained reason, estimated that 500,000 veterans would file tobacco-related claims each year. The actual cost to VA for claims filed over the last six years has been a few million dollars, not anywhere near the $17 billion estimate.

I will again remind my fellow Senators who think that subsequent actions have discharged any further responsibility to these veterans, that so far, the Congress has done nothing to undo this wrong. An amendment was adopted to direct a portion of the proceeds from the tobacco bill to VA health care—but it was only for health care, and not for compensation, that is, monthly disability benefits for tobacco-related illnesses. But now there is no tobacco bill. So that effort is meaningless.

There were also some provisions in the highway bill that provided enhancements to some very important VA programs—the GI Bill, grants for adaptive automobile equipment, and reinstatement of benefits to surviving spouses, to name a few. But the veterans community was not bought off by the spending of only $1.6 billion on veterans programs, with the remaining $15.4 billion going to highway increases.

Finally, the text of H.R. 3978, the highway corrections bill, was covertly attached to the IRS Restructuring Conference Report. Although this Report contains some improved language, as it strikes references to smoking being ''willful misconduct,'' it still cut off compensation for tobacco-related illnesses for the overwhelming majority of veterans. It does not truly help veterans. Instead, it is another nail in their benefits coffin.

The amendment that Senators WELLSTONE and MURRAY put forth today is our only real opportunity thus far to right this wrong and correct the injustice done to America's veterans. The issue before the Senate now is simply whether we are going to continue to wrongly deny disabled veterans the rights they had under law. It is a simple choice—and I hope my colleagues will now choose to ''do right'' by veterans.

Mr. DOMENICI. Mr. President, I yield back 1 minute I have in rebuttal.

Mr. REID. Mr. President, I have a unanimous consent request.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I ask unanimous consent that the No. 3 vote, Nickles-Kohl, be the No. 2 vote—before Murkowski.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. We have no objection.

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

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, parliamentary inquiry. With the time having expired, is a point of order in order at this time?

The PRESIDING OFFICER. Yes, a point of order is in order.

Mr. DOMENICI. Mr. President, I rise to make a point of order that the pending amendment by Senator WELLSTONE that would repeal the provisions of the Transportation Equity Act for the 21st Century, T21, that pay for the additional highway and transit spending in that bill violates section 302(f) of the Congressional Budget Act.

Everybody should understand that we have already passed and the President has signed an ISTEA bill. The moneys that are encapsulated in the amendment by Senator WELLSTONE would now have to come out of that bill, and as a matter of fact this particular VA-HUD bill before us would get charged with $500 million and thus make it break its cap because we would be spending $500 million in directed spending in this bill that does not come within the caps.

So here is the practical effect of this amendment. Should this $500 million in spending come out of the programs in this bill or any other bill that has yet to be considered by the Senate—Interior, Transportation, Commerce, Justice, Labor-HHS, Foreign Operations—if this additional spending is not ultimately offset in some fashion, the overall spending caps would be violated by $500 million and a sequester would be the end result with all nondefense programs being cut $500 million.

Finally, I must alert my colleagues that if this provision stands in the final bill, not only the fiscal year 1999 appropriations bill will be charged the cost but the nondefense discretionary spending caps will be reduced by $15 billion for the years 2000–2002. That is the amount of the mandatory spending that would occur under T21 and not be paid for by this repeal.

The issue has been fully debated. We debated it in the Chamber when we were taking up ISTEA. It has been up in its totality one additional time and partially one other time. I believe we have spoken. We have voted. I particularly urge that the Senate not open this matter at this late date. This is not a technical point of order. This is a serious point of order. If this amendment passes, essentially we will add $15 billion to the expenditures under the caps, meaning that all other programs will bear cuts related to that. And in this particular year, $500 million will have to be cut from all of the domestic programs that we have unless we raise the caps by $500 million—break the budget and raise the caps by $500 million.

Mr. President, I do not choose to debate the substance of this issue. I assume it was discussed yesterday by the distinguished prime sponsor of this amendment. But I submit that in this bill, veteran spending is going up, not down. In this bill before us, and in the ISTEA bill, the veterans of America have received substantially more money than they got last year. In addition, a $1.5 billion new add-on for the education programs for veterans occurred in the ISTEA bill.

So we are doing our job in behalf of veterans and we need not visit this once again and cut all the programs of Government by the amounts I have discussed here today.

So I raise a point of order, subject to the provisions that I have heretofore enumerated.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

MOTION TO WAIVE BUDGET ACT

Mr. WELLSTONE. If I can have but 30 seconds and then I will move on this. I say to my colleagues, this is an up-or-down vote on whether we restore the benefits. I used the same gimmick that was used with direct scoring. There is no sequestration at all in this amendment. None of what my colleague from New Mexico has just said is going to happen.

I move the Budget Act be waived. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Budget Act. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Arizona (Mr. MCCAIN), and the Senator from Kansas (Mr. ROBERTS) are necessarily absent.

I further announce that if present and voting, the Senator from North Carolina (Mr. HELMS) would vote ''no.''

Mr. FORD. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Ohio (Mr. GLENN), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

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

The yeas and nays resulted—54 yeas, 40 nays, as follows:

[Rollcall Vote No. 210 Leg.]

YEAS—54

Akaka	D'Amato	Kerry
Ashcroft	Daschle	Kohl
Bennett	Dorgan	Landrieu
Biden	Durbin	Lautenberg
Bingaman	Faircloth	Leahy
Bond	Feingold	Levin
Boxer	Feinstein	Lieberman
Breaux	Ford	Mikulski
Bryan	Graham	Moseley-Braun
Bumpers	Harkin	Moynihan
Byrd	Hollings	Murray
Campbell	Hutchison	Reed
Cleland	Jeffords	Reid
Collins	Johnson	Robb
Conrad	Kennedy	Rockefeller
Coverdell	Kerrey	Sarbanes

Snowe	Thurmond	Wellstone
Specter	Torricelli	Wyden

NAYS—40

Abraham	Gramm	Murkowski
Allard	Grams	Nickles
Baucus	Grassley	Roth
Brownback	Gregg	Santorum
Burns	Hagel	Sessions
Chafee	Hatch	Shelby
Coats	Hutchinson	Smith (NH)
Cochran	Inhofe	Smith (OR)
Craig	Kempthorne	Stevens
DeWine	Kyl	Thomas
Domenici	Lott	Thompson
Enzi	Lugar	Warner
Frist	Mack	
Gorton	McConnell	

NOT VOTING—6

Dodd	Helms	McCain
Glenn	Inouye	Roberts

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3202

The PRESIDING OFFICER. The question is now on the Nickles amendment. There are 2 minutes equally divided.

Who yields time?

Mr. BOND. Mr. President, in order to facilitate the discussions on two of the remaining amendments, I ask unanimous consent that the vote to follow the vote on the Nickles amendment be the Sessions amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Who yields time?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, the amendment that I have offered on behalf of myself, Senator COATS, Senator MACK, Senator ALLARD, Senator FAIRCLOTH, and Senator FEINGOLD, strikes the increase in the FHA guarantee that right now is—last year it was $160,000, and under present law it goes to $170,000. The committee wants to take it up to $197,000. This is a Federal guarantee, 100 percent guarantee, saying we are going to guarantee mortgages up to $197,000.

You have to have income of $75,000 or $80,000 to be able to afford that kind of mortgage. FHA is supposed to be guaranteeing loans for people with low and moderate incomes, not high incomes. I urge my colleagues to adopt this amendment.

I yield the balance of my time to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. I thank my colleague for yielding.

This program was always intended to aid low- and middle-income home buyers. It was never intended to be of assistance to the high-income home buyer. The high-income home buyer belongs in the private mortgage insurance business. This amendment recognizes that. I urge my colleagues to support this amendment.

Mr. D'AMATO. Mr. President, I rise today to join Senator BOND, Senator MIKULSKI, Senator SARBANES, and others in opposition to the amendment offered by Senator NICKLES. This amendment would strike the increase for Federal Housing Administration (FHA) loan limits in high cost areas and double the guaranty fees charged by the Government National Mortgage Association (GNMA). I strongly oppose this amendment which would unfairly deny homeownership opportunities for moderate-income families in high cost areas and could increase housing costs for all FHA and Veterans Affairs (VA) home loan borrowers.

I commend Senator BOND, Senator MIKULSKI, and the Appropriations Committee for including an increase in the FHA loan limits for both low-cost areas, including isolated rural areas, as well as for high cost areas, such as Long Island and New York City in my home state of New York. The Committee's inclusion of modest increases in the FHA loan-limits will create fairness by allowing Americans in high- and low-cost areas to also have the opportunities for homeownership which are provided by FHA to their fellow Americans.

Mr. President, the FHA program is a true American success story, having provided an opportunity for homeownership to approximately 25 million families since its inception in 1934. It has served as the predominant player in the home mortgage market for low-income and minority borrowers, first-time home buyers and borrowers with high loan-to-value ratios. It operates in all regions, regardless of economic downturns. According to a 1996 Federal Reserve Board study, FHA bears about two-thirds of he aggregate credit risk for low-income and minority borrowers.

FHA loans have made homeownership possible for many Americans who otherwise could not have qualified for mortgage credit. FHA generally differs from conventional lenders in the following ways: downpayments may be as low as 3 percent; closing costs may be financed; credit rating requirements are more flexible; monetary gifts may be used for downpayments; and a borrower may carry more debt.

Mr. President, I acknowledge there are important questions that must be answered regarding FHA's current operations, including instances of foreclosures. The General Accounting Office and the HUD Inspector General have repeatedly expressed concerns regarding material weaknesses affecting the FHA program—such as staffing deficiencies, the lack of Year 2000 compliance, improper monitoring of the single-family property inventory, and insufficient early warning and loss preventions systems.

HUD foreclosures have devastating effects on our families and our neighborhoods. Rundown properties left to stand vacant for months on end often become magnets for vandalism, crime and drug activity. These conditions decrease the marketability of the houses, increase HUD's holding costs, drive down the costs of surrounding homes, and in some cases threaten the health and safety of neighbors.

HUD must do more to reduce default risks and mitigate losses. And if foreclosure prevention efforts fail, properties must be disposed of more quickly to protect our neighborhoods.

The increases provided in this appropriations bill respond to inequities in home purchase prices that exist across our nation. Americans in high- and low-cost areas should not be denied the opportunity for homeownership simply because of the geographic regions in which they live. I strongly support Senator BOND and Senator MIKULSKI's initiative to right this wrong in high-cost urban and low-cost rural areas. The FAA loan-limit increase, for high-cost and low-cost areas, will allow more Americans equal access to median purchase homes with the needed help of FHA. FHA will still help to provide new and existing entry-level starter homes, not large or luxury homes. In fact, in the 32 high-cost areas across America where loan limits would be increased, the median price of a starter home is often twenty to thirty percent higher than the current maximum loan limit. In 1996, the average homeownership rate in these areas was approximately fifty eight percent, compared to a national rate of approximately sixty five percent. Clearly, the American Dream of homeownership is out of reach for too many hardworking moderate income families in these high cost areas.

Mr. President, FHA's current loan limits do not adequately reflect the reality of housing prices in high cost areas. Portions of 43 metropolitan areas have median home prices at or above the current $170,362 high-cost limit. In the Dutchess County area, the median home sales price in 1997 was $175,000. In the Nassau-Suffolk area, the median home sales price was $195,000. And in New York City, the median home sales price was $208,000.

Mr. President, 52.5 million people reside in high cost areas–comprising twenty one percent of the nation's population. It is inherently unfair that over 50 million Americans should not have the same opportunities through the FHA that other Americans have.

American working families would benefit from the proposal, not the wealthy. The average FHA borrower has a family income of $40,800. According to HUD, the limit increases included in this bill would barely raise the average homeowner borrower income level. However, some borrowers would need an income of $70,000 to

qualify for a $197,000 mortgage. In New York City or on Long Island, a family income of $70,000 is a typical two wage-earner family. These are middle class families—schoolteachers, policemen, and civil servants—raising children and struggling to pay their bills. In Nassau and Suffolk counties the median income of a family of four is $63,400. Wages are higher in Long Island because the cost of living is higher. And home purchase prices are higher—which is why this increased adjustment is necessary. The high cost limit increase would simply grant these areas parity—not an underserved advantage.

I am very pleased that the increase in the base limit will rural Americans in low-cost counties where existing housing may be substandard, the opportunity to purchase new homes. New York also has many low-cost areas, such as Buffalo, Elmira, Glens Falls, Jamestown-Dunkirk, Syracuse and Utica-Rome, which would be helped by the low-cost increase. I urge my colleagues from the states without high-cost areas to also be sympathetic to Americans in high-cost cities and suburbs, where home prices are higher due to high land, material and labor costs.

Also, I urge my colleagues to not support doubling the guaranty fee charged by GNMA. There is no actuarial need for this proposal which would affect all regions of the country and could increase consumer costs for FHA and VA loans. This proposal is strongly opposed by numerous veterans' organizations. I ask unanimous consent that a letter in opposition to the amendment, signed by AMVETS, the Disabled American Veterans, the Blinded Veterans' Association, the Paralyzed Veterans of America, and the Non Commissioned Officers' Association of the USA be printed in the RECORD. In addition, I ask unanimous consent that a memorandum prepared by the Congressional Research Service for the Senate Banking Committee on this subject be entered into the RECORD.

Mr. President, the modest, prudent loan limit increases contained in this bill are a compromise and do not reach the $227,150 national limit requested by the Administration.

The proposed changes will assist potential homebuyers—first time homeowners, minorities, urban dwellers and rural Americans—who are not currently served by FHA or the conventional market—but whom should rightly qualify under FHA's existing mission.

I respectfully urge the defeat of the amendment proposed by my colleague from Oklahoma, Senator NICKLES.

Mr. President, let me tell what you is happening now. We have over 50 million Americans who are being shut out of an opportunity to use FHA insurance, and they are not high income. Three million live in Long Island alone. These high cost areas include Levittown, Long Island, which saw such rapid expansion of home ownership for the first time for working middle-class families after World War II—where, today you can't buy a home with FHA because the median home price was $195,000 in 1997—well above the current FHA limit of $170,000. That is the median price for all of Long Island—where over 3 million live; in all, there are 11.5 million New Yorkers living in high cost areas, and they are not wealthy. They have incomes of $50,000 to $70,000, they are two-wage earner families, raising children, and you are shutting them out of home ownership.

We need this increase. It is not for wealthy people. It is for working middle-class families.

Mr. BOND. I yield the remaining time to the Senator from Maryland.

Ms. MIKULSKI. Mr. President, I stand in opposition to the Nickles amendment. Let me share why I support the FHA loan limit increase included in the Appropriations Committee bill.

FHA is a critical tool for first time home buyers, low and moderate income buyers, and minority buyers.

FHA will help us meet new market realities, but in a way that does not expose taxpayers and communities to a big buck liability in the event of FHA foreclosures.

Our Senate bill will raise the FHA loan limit in high cost areas from $170,000 to $197,000.

It will also raise the limit in low cost areas from $86,000 to $108,000.

Mr. President, home ownership is a critical step in a person or family's attempt to obtain assets and to becoming a more permanent fixture in a community.

Like many of my colleagues, I share the concern about the affect that foreclosures can have on individuals' credit and the stability of a community.

My own hometown of Baltimore has been a victim of foreclosures harming neighborhoods.

But in our bill we have provided a modest increase that does not raise the limit too much too quickly.

Our objective is clear, for those who FHA serves, ensure that it is a useful tool.

The objective is not to put the private mortgage insurance companies out of business or to move FHA away from providing for low and moderate income buyers.

I believe that the FHA provision included in the Senate bill before us is good for Maryland and good for the nation.

I believe that this is a positive step in rewarding investment and provides relief to working families.

I encourage my colleagues to oppose the Nickles amendment and support the Appropriations Committee's attempt to help home buyers across the country.

Mr. President, what this legislation does is provide an opportunity for first-time home ownership. It does not put private mortgage insurance companies out of business.

It is a good thing to do.

Mr. BRYAN. Mr. President, the Federal Housing Administration (FHA) has enabled millions of individuals across the country to purchase their first home and realize a piece of the American dream.

I know this firsthand because my wife and I bought our first home when we were newly married with an FHA loan.

There are many families today who would not own their home if it were not for the Federal Housing Administration's single family insurance program.

The Federal Housing Administration was created to promote home ownership and stimulate the construction of housing by encouraging financial institutions to make loans to those who did not have adequate resources for a down payment.

Since then, FHA has evolved into a program which gives first-time home buyers and under served borrowers greater access to mortgage credit.

It is a financially sound system that not only works well, but works well at no cost to the taxpayer.

The state of Nevada is the fastest growing state in the country and, as in many states, the real estate activity in Nevada is an important aspect of our economy.

As our population grows, the demand for new housing increases.

And as we all know, the cost of new homes in many cases is more expensive than existing ones.

In Nevada, for example, many first-time home buyers rely on FHA to purchase a home.

But as new homes are being built and as the cost of housing rapidly increases in my state, more and more families are unable to secure home ownership.

They simply cannot afford the cost of a home under a conventional loan.

This not only hurts the economy, but it strips away any hope of owning a home.

The loan limit which Senators BOND and MIKULSKI agreed to in the VA/HUD appropriations bill would give more first-time home buyers the opportunity to afford a home who would otherwise not be able to.

The FHA loan limit would increase the high limit from $170,362 to $197,620 and the lower limit from $86,317 to $109,032.

Although the loan limit does not go as far as the President's proposal, which I supported, I believe this proposal is a fair compromise that would benefit our society as a whole.

Let me be clear about the importance to raise both the floor and the ceiling of the FHA loan limit:

First, raising the FHA loan limit would increase home ownership opportunities.

Over the years, the new home portion of FHA's activity has diminished to roughly 6 percent, and only 5 percent of all new homes are now financed with FHA-insured mortgages.

This decrease in FHA's role in the market for new homes is clearly a result of the current mortgage loan limits.

HUD estimates that higher loan limits would enable approximately 60,000 more families—who have been cut out of the market—each year to purchase a home.

Second, FHA is critical to first-time home buyers.

Thousands of families with the ability to make the mortgage payments on a home cannot make the purchase because they lack the up front capital required. Raising the FHA loan limits would give them the chance that they do not have under current home finance options.

Third, raising the limit would enhance FHA's ability to spread risk.

The FHA insurance fund is a financially healthy program and HUD believes that the fund will become stronger when the loan limits are raised.

Both Price Waterhouse and the General Accounting Office note that higher value loans perform better than lower valued loans and that the rate of default is lower for larger loans than for smaller loans.

OMB estimates that raising the loan limits would create excess revenues of $228 million.

Finally, raising the limit would raise revenue for the Treasury and would improve the Government's finances; approximately $225 million in annual revenue would be generated.

Arguments against raising the loan limits are weak and do not live up to the true reality of what is in the best interest of the American people.

Some argue that the very group FHA was created to serve will be pushed along the wayside if loan limits are increased.

Let me remind you that raising the loan limit will increase the average FHA loan amount by 4.2 percent—from $85,500 to $89,109 and the average income by 3.8 percent—from $40,800 to $42,350.

The increase would enable more families to buy a home.

It would not take away from the underserved population.

In fact, since 1992, when the FHA loan limits increased from $124,875 to $170,362, the share of FHA mortgages to low-income borrowers increased from 15.7 percent to 20.1 percent.

Mr. President, it is my hope that my colleagues will join me today and support the increase in the FHA loan limit to $197,000 and reject any measure that threatens the opportunity for many first-time home buyers across the country to own a home.

Mr. BOND. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment, No. 3202.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Arizona (Mr. MCCAIN), and the Senator from Kansas (Mr. ROBERTS) are necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

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

The result was announced—yeas 69, nays 27, as follows:

[Rollcall Vote No. 211 Leg.]

YEAS—69

Abraham	Domenici	Levin
Akaka	Dorgan	Lieberman
Baucus	Durbin	Mikulski
Bennett	Feinstein	Moseley-Braun
Biden	Ford	Moynihan
Bingaman	Frist	Murkowski
Bond	Gorton	Murray
Boxer	Graham	Reed
Breaux	Grassley	Reid
Bryan	Harkin	Robb
Bumpers	Hatch	Rockefeller
Burns	Hollings	Roth
Byrd	Hutchinson	Santorum
Campbell	Hutchison	Sarbanes
Chafee	Inouye	Sessions
Cleland	Jeffords	Shelby
Coats	Johnson	Smith (OR)
Collins	Kennedy	Snowe
Conrad	Kerrey	Specter
Coverdell	Kerry	Stevens
D'Amato	Landrieu	Torricelli
Daschle	Lautenberg	Wellstone
Dodd	Leahy	Wyden

NAYS—27

Allard	Gramm	Lugar
Ashcroft	Grams	Mack
Brownback	Gregg	McConnell
Cochran	Hagel	Nickles
Craig	Inhofe	Smith (NH)
DeWine	Kempthorne	Thomas
Enzi	Kohl	Thompson
Faircloth	Kyl	Thurmond
Feingold	Lott	Warner

NOT VOTING—4

Glenn	McCain
Helms	Roberts

The motion to lay on the table the amendment (No. 3202) was agreed to.

AMENDMENT NO. 3206

The PRESIDING OFFICER. The question is on the motion to table the Sessions amendment. There are 2 minutes of debate, equally divided.

Who yields time?

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, we are a Nation of explorers, a Nation of discoverers. Our people see ourselves in that light; the world sees us in that light.

Unfortunately, for the last 5 years, the great agency of this Government that epitomizes our explorative nature—NASA—has seen a cut in its budget—for 5 straight years. They have reduced personnel by 25 percent since 1993. This is a tragic event. The President's budget this year had a cut of $180 million. The committee restores most of that, but it still represents a $33 million cut again this year.

We need to put an end to that. We need to get back into exploring our solar system and our galaxy. That is who we are as a people. We need to increase the funding. This bill would first have level funding, and then get us on the road next year to increased funding. The money as an offset would come from that portion of the AmeriCorps program that pays people to volunteer. It has been zeroed out in the House, and it is a good offset.

Mr. BOND. Mr. President, I yield 30 seconds to my colleague from Maryland.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I oppose the amendment and support the motion to table. Yes, this subcommittee is a strong supporter of space and science and technology. We put $150 million more in the NASA budget. But we object to offsetting and cutting national service that provides the opportunity to pay for college education, in which 50,000 have earned their educational awards, a modest amount of money that could be used to help them continue their education. We have worked to improve 100,000 people who have participated in this program.

Don't cut the habits of the heart. Don't cut the habits of the heart for space.

Mr. President, I am a strong supporter of space programs and strongly support investments in science and technology. That's why I worked with Senator BOND to find a $150 million increase for NASA. But, I must strongly oppose cuts to the Corporation for National Service.

The National Service helps to promote the habits of the heart and fosters the volunteer spirit that helped make this country great. To date nearly 100,000 people have participated. They have helped to generate thousands of un-paid volunteers in communities across the country.

The National Service provides assistance to programs like the one run by the Sisters of Notre Dame in Baltimore. This is a critical tutoring service of young people.

Each year over 400,000 young children are tutored by AmeriCorps volunteers who work to help prepare our children to be literate and functional in the 21st century.

Volunteers also work with well respected organizations like the Red Cross, Habitat for Humanity and the YMCA, and provide real help to meet compeling human needs.

In addition the National Service also provides an opportunity for participants to pay for their college education. To date 50,000 have earned their educational awards. A modest amount of money is used to help our young adults.

I urge my colleagues to stand with me as I stand behind our kids. Vote to table the Sessions amendment.

Mr. BOND. Mr. President, as already indicated, we support NASA very strongly. We have added $150 million over that which the people who run the

program have requested. We risk disrupting the compromise that has been made on this bill. In order to pass this bill and to get it signed, we have reached, I think, a good accommodation with the limited dollars.

If this tabling motion does not succeed, I will have to raise the Budget Act point of order because the money that is spent out under this will be above our outlay ceiling.

Therefore, I urge my colleagues to join me in voting to table the amendment.

The PRESIDING OFFICER (Mrs. HUTCHISON). All time has expired.

The question is on agreeing to the motion of the Senator from Missouri to lay on the table the amendment of the Senator from Alabama. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Arizona (Mr. MCCAIN), and the Senator from Kansas (Mr. ROBERTS) are necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Nevada (Mr. REID) are necessarily absent.

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

The result was announced—yeas 58, nays 37, as follows:

[Rollcall Vote No. 212 Leg.]

YEAS—58

Akaka	Dorgan	Levin
Allard	Durbin	Lieberman
Baucus	Feingold	Mikulski
Biden	Feinstein	Moseley-Braun
Bingaman	Ford	Moynihan
Bond	Graham	Murray
Boxer	Grassley	Reed
Breaux	Gregg	Robb
Bryan	Harkin	Rockefeller
Bumpers	Hollings	Santorum
Campbell	Inouye	Sarbanes
Chafee	Jeffords	Snowe
Cleland	Johnson	Specter
Coats	Kennedy	Stevens
Collins	Kerrey	Torricelli
Conrad	Kerry	Warner
D'Amato	Kohl	Wellstone
Daschle	Landrieu	Wyden
Dodd	Lautenberg	
Domenici	Leahy	

NAYS—37

Abraham	Gorton	McConnell
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Brownback	Hagel	Roth
Burns	Hatch	Sessions
Byrd	Hutchinson	Shelby
Cochran	Hutchison	Smith (NH)
Coverdell	Inhofe	Smith (OR)
Craig	Kempthorne	Thomas
DeWine	Kyl	Thompson
Enzi	Lott	Thurmond
Faircloth	Lugar	
Frist	Mack	

NOT VOTING—5

Glenn	McCain	Roberts
Helms	Reid	

The motion to lay on the table the amendment (No. 3206) was agreed to.

Mr. BOND. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. BOND. Madam President, there are only two amendments remaining. I believe we have worked out accommodations on the two——

The PRESIDING OFFICER. The Senator will suspend.

Ms. MIKULSKI. The Senate is not in order.

The PRESIDING OFFICER. The Senator is correct.

Mr. BOND. Madam President, for the information of all Senators, I do not think we are going to require any more votes. There are votes on two amendments that have been ordered. I am going to ask that we vitiate the yeas and nays on them. I do not know of any call for a vote, a recorded vote on final passage. The Senator from Alaska and the Senator from Arkansas want to engage in a colloquy before we accept that amendment.

AMENDMENT NO. 3205

Before we do that, however, I ask unanimous consent that the yeas and nays on the Burns amendment be vitiated and that we adopt the amendment by voice vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the Burns amendment.

Mr. BOND. Madam President, the Burns amendment is very important. There was a question whether it was going to be included in the NASA reauthorization. If the NASA reauthorization does move, if that can move, then we would drop the amendment in conference to allow it to be included in the overall NASA reauthorization, but we think it is vitally important for the development of the X–33 that the indemnification be included.

Senator MIKULSKI.

Ms. MIKULSKI. I concur with the position that we are taking here and urge the procedure recommended by the chairman.

Mr. BOND. We are ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the Burns amendment.

The amendment (No. 3205) was agreed to.

Mr. BOND. Madam President, I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOND. Madam President, I now yield to the Senator from Alaska.

AMENDMENT NO. 3200

The PRESIDING OFFICER. The question is on agreeing to the Murkowski amendment.

AMENDMENT NO. 3200, AS MODIFIED

Mr. MURKOWSKI. Madam President, I ask unanimous consent to modify my amendment. I believe we have worked out the amendment. I have asked that the yeas and nays be vitiated, which has already taken place.

I submit the modification.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 3200), as modified, is as follows:

At the appropriate place in the bill insert the following:

SEC. . VIETNAM VETERANS ALLOTMENT.

The Alaskan Native Claims Settlement Act (43 U.S.C. 1600, et seq.) is amended by adding at the end the following:

OPEN SEASON FOR CERTAIN NATIVE ALASKAN VETERANS FOR ALLOTMENTS

SEC. 41. (a) IN GENERAL.—(1) During the eighteen month period following promulgation of implementing rules pursuant to paragraph (6), a person described in subsection (b) shall be eligible for an allotment of not more than 160 acres of land under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as such Act was in effect before December 18, 1971.

(2) Allotments selected under this section shall not be from existing native or non-native campsites, except for campsites used primarily by the person selecting the allotment.

(3) Only federal lands shall be eligible for selection and conveyance under this Act.

(4) All conveyances shall be subject to valid existing rights, including any right of the United States to income derived, directly or indirectly, from a lease, license, permit, right-of-way or easement.

(5) All state selected lands that have not yet been conveyed shall be ineligible for selection under this section.

(6) No later than 18 months after enactment of this section, the Secretary of the Interior shall promulgate, after consultation with Alaska Natives groups, rules to carry out this section.

(7) The Secretary of the Interior may convey alternative federal lands, including lands within a Conservation System unit, to a person entitled to an allotment located within a Conservation System Unit if—

(A) the Secretary determines that the allotment would be incompatible with the purposes for which the Conservation System Unit was established;

(B) the alternative lands are of equal acreage to the allotment.

(b) ELIGIBLE INDIVIDUALS.—(1) A person is eligible under subsection (a) if that person would have been eligible under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as that Act was in effect before December 18, 1971, and that person is a veteran who served during the period between January 1, 1968 and December 31, 1971.

(c) STUDY AND REPORT.—The Secretary of the Interior shall—

(1) conduct a study to identify and assess the circumstances of veterans of the Vietnam era who were eligible for allotments under the Act of May 17, 1906 but who did not apply under that Act and are not eligible under this section; and

(2) within one year of enactment of this section, issue a written report with recommendations to the Committee on Appropriations and the Committee on Energy and Natural Resources in the Senate and the Committee on Appropriations and the Committee on Resources in the House of Representatives.

(d) DEFINITIONS.—For the purposes of this section, the terms 'veteran' and ''Vietnam era'' have the meanings given those terms by paragraphs (2) and (29), respectively, of section 101 of title 38, United States Code.

Mr. MURKOWSKI. Madam President, we have conversed with my good friend, the Senator from Arkansas, on this amendment. It is my understanding that we have worked it out as an accommodation to rectify a situation where veterans, native Eskimo Indian Aleuts, who were on active duty during

the time of the Vietnam conflict, were therefore unable to apply for their allotment. This situation should be rectified. It scores zero dollars in the first year and perhaps $1 million each year thereafter.

In view of the fact that this is a $93 billion package, I think it warrants consideration to right a wrong for those who served in active duty, served their country, and yet were unable to qualify for their 160-acre allotment because they were on active duty. We have assured all parties that none of the acreage would come out of conservation units, and Senator BUMPERS has been most accommodating. It is my understanding the minority will accept the amendment—subject to Senator BUMPERS' input.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Madam President, the administration has raised very serious objections to the Murkowski amendment.

Mr. FORD. Madam President, may we have order? I know it is tough.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Arkansas.

Mr. BUMPERS. Madam President, the administration had previously, and may still have, serious objections to the Murkowski amendment. But he and I had a conversation this morning. He has modified his amendment. The modification is at the desk.

For the edification of our membership, simply because this may come up again in conference or even later on the floor, in 1906 the Congress passed a law giving every Native Alaskan the right to claim 160 acres of land in Alaska. In 1971, under the Alaskan Native Settlement Claims Act, we repealed the old 1906 Act. What Senator MURKOWSKI seeks to do is very laudable, in my opinion. He is simply saying those Native Alaskans who would have otherwise had a right to claim 160 acres under the old 1906 law, but were in Vietnam and not physically present in Alaska so they could file such a claim—he is simply saying under this bill that they will be grandfathered in. If they were in Vietnam between 1969 and 1971, they are entitled to a claim.

Some of these claims would be in conservation areas. That was the first, primary objection by the administration. We have changed that so the administration can select nonconservation lands if a claim within a park or wilderness or wildlife refuge is inconsistent with the purposes of that conservation area. So that takes care of most of it.

They were vitally concerned about the cost which, as I say, should be mitigated greatly by this compromise we have entered into.

I simply want to say there is one other objection the administration has. They are concerned about allowing people to claim 160 acres if they were not in Vietnam. The amendment does not really say you had to have been in Vietnam, but they had to have been in the military. They think that is a little broad. But in conference, whatever their objection is I feel sure can be worked out.

I thank the Senator from Alaska. We had a hearing on this, but we had not marked the bill up.

So, with those considerations, I think it is well to go ahead and approve it. If they still object to something, I think it will be something we can work out in conference.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Madam President, the Senator from Arkansas has stated the position well. As the ranking member on this bill, I agree we should take this amendment. There is disputed information about cost, scoring, the administration's position. But I believe we have assured everyone who has a yellow flashing light about this policy that we will consult on the way to conference, and I believe we should accept the amendment today. We will resolve this in conference, consulting with all appropriate people.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. I thank my colleague from Maryland for her comments. I also appreciate the efforts of the Senators from Arkansas and Alaska to work out this situation. It sounds like a very compelling need. Obviously, our only question is the means by which it is accomplished. I am delighted we can gain agreement at this stage. We do have further work to pursue.

I have advised my colleague on the other side of the aisle, if there are substantial problems with it then we can deal with those in conference. I hope we can remedy this wrong which has occurred to Native Americans who fought for their country in Vietnam.

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

The amendment (No. 3200), as modified, was agreed to.

Mr. MURKOWSKI. I thank my side for their accommodation, particularly the Senator from Arkansas.

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

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EPA ACTIVITIES RELATED TO CO_2 EMISSIONS

Mr. MURKOWSKI. As we debate the provisions of the FY 1999 appropriations for the EPA and other agencies I would like to raise an issue of concern. During a June 4 hearing before the Committee on Energy and Natural Resources, committee members explored the concern that this Administration has no real plan in place to assure that we will meet the nation's substantial and growing energy needs. In responding to this concern, Administration representatives, including a representative of the EPA, failed to mention that in addition to failing to plan for our growing energy needs, EPA had recently taken action that could further erode our capability to fuel our economic growth by a ''back-door'' attempt to regulate carbon dioxide.

On June 2, only two days before this hearing, the EPA had published a notice in the Federal Register of its intent to modify a consent decree between EPA and the Natural Resources Defense Council, an organization with very strong views on global climate policy. The proposed modification would require EPA to analyze emissions reductions of CO_2 through its regulation of other emissions. While this seems innocuous enough, it is clear that this is an attempt to bring CO_2 within the meaning of ''air pollutant'' under the Clean Air Act.

Although EPA has apparently denied that this is an attempt to implement the Kyoto Protocol prior to its ratification, a spokesman for the Natural Resources Defense Council had a different response. In a Washinton Times article on July 8, Mr. Dan Lashoff of the Council states that the consent decree ''is intended to look ahead to emissions reductions of carbon dioxide that may be required to achieve national objectives as established by the [Kyoto] treaty.'' As a key party to the consent decree, Mr. Lashoff understands the objectives of this modification, even if EPA does not.

My concerns about this development are several. First, this action constitutes an attempted breach of promise against the Administration's assurances to Congress that there will be no implementation of the Kyoto accord prior to Senate ratification. Under Secretary Eizenstat has gone so far as to commit that ''no agency or interagency body has been given responsibility to develop potential proposals for legislation or regulation that would be intended to comply with the Kyoto Protocol if it were to become binding on the U.S.'' Second, the proposed modification exceeds EPA's authorities under the Clean Air Act. Third, the proposed modification is outside the scope of the original consent agreement.

Clearly, Madam President, Congress should expect both EPA and the Justice Department to withhold consent to this inappropriate modification to the consent agreement. Could you state whether you believe the actions I have described would be an appropriate use of the proposed funding for EPA in the appropriations bill under consideration?

Mr. BOND. First, I thank my colleague from Alaska for bringing this issue to the attention of this body. I agree that this is an issue of concern. There are no funds currently provided to EPA, nor any funds to be provided in this bill for fiscal year 1999 for the issuance of federal regulations designed solely for the purpose of Kyoto Protocol implementation.

Mr. BURNS. Madam President, I ask the Senator from Missouri to note the

statement at page 74 of the Report regarding the Agency's sector facility indexing project. I concur with the Committee's judgment. I would like to call to the Senator's attention some further concerns regarding the Agency's use of toxicity weighting factors in relation to both the sector facility indexing project and the environmental indicators project. For example, the Agency's Science Advisory Board recently criticized EPA's use of toxicity weighting factors based on policy rather than science and raised other scientific issues as well. Does the Senator share my concern?

Mr. BOND. Yes, Senator BURNS, I do share your concern on this issue.

Mr. LEAHY. Madam President, I had intended to offer an amendment today to begin monitoring of mercury emissions from coal-fired power plants and include this information in the Toxic Release Inventory. Congress has a long track record of supporting the public's ''right to know'' about the nature and volume of toxic chemicals that are being released into the environment from manufacturing facilities in their neighborhoods. The ''Toxics Release Inventory'' has empowered citizens and communities and is helping local and state environmental agencies to identify the most pressing problems within their neighborhoods. A glaring gap in information from the Inventory is mercury emissions from coal-fired power plants. The Environmental Protection Agency estimates that at least 52 tons of mercury are being released to the environment each year, every year, from these plants. When Congress amended the Clean Air Act in 1990, we did not address mercury emissions but instead required EPA to report back to Congress on the sources, impacts and control strategies for mercury. Congress finally received that report last year and now needs to act on it. That is why I introduced the ''Omnibus Mercury Emissions Reduction Act of 1998.'' Although I will not offer my mercury right-to-know amendment today, Congress has a responsibility to act on the EPA Mercury Report to Congress. I believe Senator CHAFEE who is one of the leading proponents of the Clean Air Act Amendments of 1990, agrees with me that steps should be taken to address mercury emissions.

Mr. CHAFEE. I agree with the senior senator from Vermont that although the EPA Mercury Report does the best job so far in quantifying mercury emissions, many believe that the report understates the actual amount of mercury being released to the environment. Along with Senator LEAHY, I voiced my concern when the release of the EPA Mercury Report was delayed. It is my understanding the EPA is taking a number of long-overdue steps to address mercury emissions. Toward the end of obtaining better data on mercury emissions from coal-fired power plants, we should begin collecting information from these facilities on the mercury that they emit. As Chairman of the Environment and Public Works Committee, I intend to hold hearings in September on the issues raised by the EPA Mercury Report and Senator LEAHY's amendment in order to foster a broader public discussion from all concerned parties about the information and findings that are contained in the EPA Mercury Report.

Mr. LEAHY. I appreciate the leadership that Senator CHAFEE is taking on this issue in light of the troubling language included in the House report on the Fiscal Year 1999 VA–HUD Appropriations bill. I have serious concerns about this language. Among other things, the report language would require that another mercury report be developed. Each of the mercury-related tasks stipulated in the report language would need to be completed before EPA would be allowed to make any regulatory determinations that pertain to mercury.

Mr. CHAFEE. I agree with Senator LEAHY. The American taxpayers have already spent over $1 million on the EPA Mercury Report. The Report does not need to be redone. I do not believe that anyone who actually reads it objectively would conclude that we need to study mercury all over again before Congress or EPA can make any decision about mercury emissions. But that is precisely what the House report language would require. This report language is an inappropriate use of the appropriations process.

Mr. LEAHY. The Senator is correct and I am glad to see that the Senate has not concurred with this language. I thank the Chairman and look forward to participating in his hearing on this important issue.

Mr. BYRD. Madam President, would the Senator from Missouri yield for a question on the appropriation of funding for the Environmental Protection Agency (EPA) and its energy and environment related programs? I note that on pages 74 and 75 of the Committee's Report that the Committee addresses the issue of the EPA's compliance with the Government Performance and Results Act and the EPA's submission of a report on activities related to these ongoing programs. Is it the Senator's understanding that the committee report reminds the EPA that it is to fully comply with the Government Performance and Results Act?

Mr. BOND. The Senator is correct. The language in the report requires full compliance with the Government Performance and Results Act.

Mr. BYRD. Is it the intent of the Senator to create additional legal requirements in this area beyond those required by the letter and spirit of the Government Performance and Results Act?

Mr. BOND. No, not at all. I would say to my friend from West Virginia that all we are asking here is for a more comprehensive explanation by the EPA of the components of its energy and environment programs, any justifications for funding increases, and a clear definition of how these programs are justified by the EPA's goals and objectives independent of the implementation of the Kyoto Protocol.

Mr. BYRD. I thank the Senator from Missouri. I would also note that the Committee Report expects the EPA to submit a report to the Committee by December 31, 1998, with a follow-up analysis by the General Accounting Office ninety days later. As the Senator may know, Senator Craig and I submitted language to the Interior Appropriations bill directing the Department of Energy (DOE) to submit a similar report, but this report is to be submitted in conjunction with DOE's Fiscal Year 2000 budget submission. Given the short period between the likely enactment of this Act and the December 31 deadline, would the Senator agree that it might be more reasonable for the EPA to also submit its report along with its Fiscal Year 2000 budget submission?

Mr. BOND. Yes. I believe that is a more appropriate time for the EPA to fulfill the reporting requirement as outlined in the Committee Report language.

Mr. BYRD. I thank the distinguished Senator. The EPA should provide a more detailed plan for better evaluating its programs, but I believe this is a more appropriate date to require such a report. It would not be wise to arbitrarily cap funding for vital energy and environment programs that encourage domestic energy efficiency, decrease costs, and promote domestic energy security. These programs should be evaluated on their own merits. The Federal Government serves a vital catalytic role in supporting and developing cutting edge research programs that the private sector can then take into the marketplace. The true benefits of these technologies and programs may not be evident for a number of years. Through these efforts, the United States has a tremendous opportunity to profit from new technologies, both at home and abroad, while at the same time reducing greenhouse gas emissions.

HUD NOTICE AND COMMENT RULEMAKING

Mr. D'AMATO. Madam President, I would like to enter into a colloquy with my colleagues, Senator KIT BOND, the Chairman of the Appropriations Subcommittee on Veterans Affairs and Housing and Urban Development, and Senator CONNIE MACK, the Chairman of the Banking Committee's Subcommittee on Housing Opportunity and Community Development.

It is my understanding that the Department of Housing and Urban Development (HUD) issued a series of regulations on June 30, 1998 dealing with a wide variety of HUD programs affecting millions of units of affordable housing. In each of these regulations, HUD has waived the sixty-day public comment period required under HUD's notice and comment rulemaking procedures. Instead, each of these regulations has included an expedited comment and review period. I would ask

my colleagues if I have stated the facts accurately.

Mr. MACK. Madam President, the Chairman of the Committee on Banking, Housing and Urban Affairs is entirely correct. On June 30, 1998, HUD issued three important regulations. For all these regulations, HUD waived the sixty-day comment period. Specifically, these rules would: first, establish requirements relating to physical conditions and inspections and would apply to a wide variety of HUD rental assistance and mortgage insurance programs; second, establish uniform financial reporting standards for HUD housing programs; and third, establish a new Public Housing Assessment System.

Despite the enormous impact of these proposed rules, HUD has waived the sixty-day public comment period as provided by HUD's own regulations (24 CFR 10.1), often referred to as ''Part 10.'' Previously, HUD attempted to repeal, as a practical matter, its Part 10 regulations related to notice and comment rulemaking. At that time, members of the Senate joined together in a bipartisan manner to enact legislation to safeguard public notice and comment in HUD's rulemaking process.

It is essential that HUD maintain an adequate period of time for the public to review, analyze and comment upon proposed changes in HUD's policies and procedures. Congress established the notice and comment rulemaking procedure in order to allow the public to provide adequate input so as to avoid potential confusion in the development of new rules. Given the importance of the proposed rules at issue, a more extensive period of time for public review and comment is warranted.

Mr. BOND. I agree with my colleagues Senator CONNIE MACK and Senator ALFONSE D'AMATO, in urging HUD to reinstate a fair and adequate time period for public review of these important new rules. In fact, it was my amendment in 1996 which halted HUD's attempt to remove the important public notice and comment provisions of the rulemaking procedure.

On August 16, 1996, HUD issued a regulation entitled, ''Rulemaking Policies and Procedures; Proposed Removal of Part 10.'' The Fiscal Year 1997 VA–HUD Appropriations Act included my amendment to safeguard the notice and comment procedure contained in the Part 10 regulation. Last year, the VA–HUD Appropriations Act for Fiscal Year 1998 contained a provision which in practical effect makes the notice and comment procedure part of the permanent law.

While HUD can provide for good cause waivers of the sixty-day comment period, the regulation states that such waivers should only be made when the procedure is ''impracticable, unnecessary or contrary to the public interest.'' I do not believe that HUD has met any component of this threshold in this instance.

HUD's current public rulemaking procedure were not adopted by accident. In fact, they were adopted in an effort to respond to past program abuses and were considered an essential component of HUD reform. Given HUD's ongoing systemic management difficulties, it is incumbent upon HUD to abide by the rules of public notice and comment rulemaking. Waivers of public notice requirements will not contribute to the much-needed reform of HUD's management problems. Public participation and input are critical aspects to avoiding unintended consequences in the rulemaking process.

HUD's new proposed rules have followed soon after a series of massive ''Super-NOFA's,'' or Notices of Funding Availability which announce the availability and competition for dozens of HUD grant programs. Many local government agencies and community-based housing organizations are still in the process of finalizing their applications for these important HUD programs. Most organizations—including local public housing authorities, community-based non-profit corporations and resident organizations—have limited capacity to wade through and analyze HUD's new proposed regulations, in addition to applying for funding. HUD's decision to unilaterally waive the sixty-day comment period compounds this problematic situation.

I therefore join my colleagues in strongly urging HUD to extend the review and comment period for the proposed rules issued on June 30, 1998.

Mr. D'AMATO. I thank my colleagues for their remarks and I join them in urging HUD to extend the time allotted for public review and comment of these three important and expansive HUD rules. HUD's notice and comment rulemaking procedures are designed to ensure an adequate period of time for public notice, review and comment.

It is essential that HUD provide an adequate timeframe in which housing organizations, residents of assisted housing and local government entities have a chance to offer meaningful input in the development of final regulations. Given the important nature of these three rules and the significant impact which they will likely have on the families assisted by HUD's programs, I believe it is essential that the public be granted an additional amount of time in which to comment.

Mr. CHAFEE. Madam President, page 71 of the committee report accompanying the fiscal year 1999 VA, HUD and Independent Agencies Appropriations bill states that, ''[n]one of the funds provided to the EPA are to be used to support activities related to implementation of the Kyoto Protocol prior to its ratification.'' I want to try to get a clarification on this report language from the distinguished chairman of the VA, HUD and Independent Agencies Subcommittee, Senator BOND. I would agree that the EPA should not use appropriated funds for the purpose of issuing regulations to implement the Kyoto Protocol, unless and until such treaty is ratified by the United States.

I would like to point out, however, that the United States is a full participating signatory nation to the 1992 Framework Convention on Climate Change. Under the 1992 Framework Convention, which was agreed to in Rio de Janeiro by President Bush and later consented to by the U.S. Senate, the United States pledged to carry out a wide variety of voluntary initiatives aimed at reducing greenhouse gases. These initiatives, being implemented by the EPA, the Department of Energy, and other agencies, are in place today. The Congress has funded these initiatives for several years now, indeed, long before the December 1997 climate conference in Kyoto, Japan. These initiatives; the Climate Challenge program, the Program for a New Generation of Vehicles, Green Lights, Energy Star, and others, have to varying degrees reduced greenhouse gas emissions by increasing energy efficiency across a broad range of domestic industrial sectors. They make sense for other reasons, Madam President. We have found with these programs and others that our companies and American consumers benefit economically. When we conserve resources and reduce energy consumption in a sensible way, we save money. When we research, manufacture and market new energy efficient goods and services, we create export opportunities and jobs. We also increase U.S. energy security by reducing our dependence on imported oil, natural gas and coal. Finally, when we find cost effective ways to reduce greenhouse gases, we oftentimes reduce other air pollutants like mercury, nitrogen oxide, and sulfur dioxide.

So, I want to make sure that the committee report language that I cited previously does not interfere with these important and worthwhile efforts. I would ask my friend from Missouri if these ongoing energy conservation and climate-related programs and initiatives, which are not intended to directly implement actions called for under the Kyoto Protocol, would go forward under this bill?

Mr. BOND. Indeed they would, Senator CHAFEE. Our only goal here is to prevent the issuance of federal regulations designed solely for the purpose of Kyoto Protocol implementation. We have funded these EPA programs for the upcoming fiscal year and expect the agency to spend the money in an effective and appropriate manner.

Mr. CHAFEE. I thank the Senator.

UNIVERSITY OF CINCINNATI

Mr. DEWINE. Madam President, I would like to take this opportunity to extend my congratulations to Chairman BOND and Senator MIKULSKI and other members of the appropriations subcommittee on the FY 1999 appropriations bill. The committee has faced tough budget constraints this year and I would encourage my colleagues to join me in supporting this bill. I would also like to call to the Chairman's attention an important project in Ohio that I believe is deserving of funding

under the Community Development Block Grant (CDBG) program, specifically, the Economic Development Initiative funding for various community development projects. A number were listed by the Committee in its report on the bill. I am very interested in a project that has been supported by both the local community and the State of Ohio—the rehabilitation of the Medical Science Building at the University of Cincinnati's Medical Center. This facility ranks among the top in the nation for biomedical research, research which benefits both the U.S. Environmental Protection Agency and the Veterans' Administration, as well as contributing to the local economy in excess of $2 billion. Would the Senator from Missouri agree that an initiative which will rehabilitate a facility dedicated to such research be a worthy candidate for funding under the Committee's EDI provision?

Mr. BOND. Madam President, I appreciate the Senator from Ohio raising this issue. I agree with him that the project he has described in Cincinnati would appear to be well-suited for the EDI program.

Mr. DEWINE. I thank the Chairman of the Subcommittee for his comments. I would ask that the Chairman of the Subcommittee take a very close look at this project as he proceeds to conference with the House on the final version of this appropriations bill. Specifically, what I am seeking is consideration for support of funds to allow for the renovation of this facility.

Mr. BOND. I understand the Senator from Ohio's concerns, and commend him for his efforts to seek a positive solution. As I am sure he well knows, this has been a difficult year for community development projects, such as the one he has discussed. Nonetheless, I am impressed by the overall project and their commitment to continuing research. I will give the Senator's request all due consideration as we go to conference on this bill. Is that satisfactory to the Senator?

Mr. DEWINE. That is satisfactory and I thank the distinguished Chairman for his willingness to work with me and the members of the Ohio Congressional Delegation as we work with the University to help them carry on this important work.

LORAIN ST. JOSEPH'S FACILITY

Mr. DEWINE. Madam President, I would like to draw the attention of the distinguished Chairman of the VA–HUD Appropriations Subcommittee, Senator BOND, to the allocation of Community Development Block Grant (CDBG) funds for Economic Development Initiative projects. As the Chairman may recall, we had numerous discussions last year about my interest in preventing the permanent closure of the St. Joseph's Hospital complex located in the heart of Downtown Lorain. Thanks in large part to the assistance provided Lorain in the FY 1998 VA–HUD Appropriations Conference Report, we were able to forestall closure and have now developed a solid group of tenants who wish to occupy the complex.

Mr. BOND. Madam President, I recall the effort of my colleague on behalf of his constituents in Lorain, and am happy that we were able to be of some assistance.

Mr. DEWINE. Madam President, while I will not detail every development at the St. Joseph's site which has occurred over the past twelve months, it is worth mentioning the highlights. Based on the expression of Congressional support, Community Health Partners agreed to transfer ownership of the facility to a community-based non-profit entity incorporated as South Shore Development Corporation. Community Health Partners has also agreed to provide 12 months of utilities and security for the facility while South Shore proceeds with its plans to convert the facility for non-hospital uses. Notwithstanding the need to attract additional funds to underwrite the conversion effort, the Veterans' Administration, the Lorain Public Schools system, the Lorain County Community College and the local Community Action Agency have all signed leases to implement community services from the 400,000 square foot facility.

As the distinguished Chairman may recall, earlier this year I had expressed my support to him for a request for an additional $2,000,000 for the conversion effort. These funds would be utilized for the establishment of the Community College's distance learning center at the St. Joseph's facility. It is through this facility and the downlink site at the Community College that area residents would be provided access to the job training programs which would be offered by the Community College for veterans, the unemployed and others struggling to make the transition to the information technology marketplace.

Inasmuch as the Committee was not able to accommodate my request in the bill reported from Committee, could my good friend the Chairman provide me with some insights on the prospects for funding when the House and Senate meet to resolve differences between their respective bills?

Mr. BOND. I appreciate the Senator's continuing efforts to keep me apprised of developments on the St. Joseph's conversion effort. I regret that our difficult funding problems prevented the subcommittee from allocating funding for this initiative, and I assure my friend that I will do all that I can to accommodate his request in the upcoming conference.

Mr. DEWINE. I thank my colleague for his comments, and stand ready to provide him and the conferees with documentation validating the merits of this request.

Mr. JEFFORDS. Madam President, in January of this year I addressed the Senate along with my colleagues from New York and Maine about the awesome ice storm that struck our area. Thanks to the help of Chairman BOND and others, our region received much needed assistance and relief. Today, I rise to inform my colleagues that Vermont has experienced yet another series of natural disasters. During the past few weeks the state of Vermont has received tremendous amounts of rain, causing severe flooding throughout the state. In fact, eleven of our fourteen counties were declared disaster areas after several days of heavy rain flooded streams and rivers.

Hardest hit was the pristine Mad River in central Vermont. The river's stream banks were overwhelmed. Heavy sediment washed down the river depleting water quality. However, in sections of the river where methods to protect the stream banks through bioengineering and vegetation planting were established, the banks held steady during the floods preventing soils and sediments from entering the water system.

Assistance is needed in the Mad River Valley of Vermont. The quality of the water in the Mad River is of great importance to the communities in the valley. Because of the recent flooding there is a need for the Environmental Protection Agency to provide assistance for maintaining that water quality. I am aware of the devastation that occurs during a long period of heavy rain and understand the impact it can have on a river's health and appearance. Protecting the water quality is important. EPA should provide assistance to the Mad River Valley Union Municipal District to assist them in water quality improvements. Experimenting with new methods to protect our river banks will help find solutions to maintain water quality and the health of our rivers, as well as safeguard the property and lives that inhabit the river valleys.

Madam President, with help from the EPA, more creative methods could be established and tested along the Mad River helping maintain water quality and the beauty of the river.

METERED-DOSE INHALERS

Mr. GRAMS. Madam President, I wish to thank the Senator from Arkansas, Mr. HUTCHINSON and the Senator from Ohio, Mr. DEWINE for their efforts to address the issue of FDA action on Chlorofluorocarbon (CFC) metered-dose inhalers (MDIs). I share their commitment to protecting the health and safety of the millions of Americans who rely daily on MDIs to treat asthma and other pulmonary conditions.

Most of today's products rely on CFCs, which the nations of the world under the terms of the Montreal Protocol, have agreed to phase out. This phase out is due to the reported damage CFCs cause to the stratospheric ozone layer which protects us from excessive amounts of ultraviolet radiation. However, patients with asthma and other pulmonary conditions understandably are concerned about the possibility that one day they may no

longer have access to their medications and whether it will come before adequate replacement medicines are available.

I believe the resolution included in the appropriations legislation appropriately balances the need to establish a framework for the transition from CFC to non-CFC products promptly, so patients and physicians will understand the process and deal with it. Immediate action is needed so patients and care givers have the opportunity to consider and appropriately manage the impact of a transition from one safe and effective medication to another. With sufficient time to make such preparations, the important transition from CFC to non-CFC MDIs will work for the people who matter most—the patients.

The resolution states the FDA shall issue a proposed rule no later than May 1, 1999. Although I would like to see the process move more quickly, I believe this is ample time for the FDA to take into account patient concerns and needs. The FDA has already been working on this issue for more than 15 months and has heard from thousand of interested individuals and groups. In March 1997, the FDA issued an advanced notice of proposed rulemaking which most parties agree was flawed, particularly in its tentative suggestion of a so-called ''therapeutic class'' transition from existing drugs to new products. The resolution clearly instructs FDA not to take this approach, but to consider alternatives. For example, one preferable approach would be to require an alternative be available for a particular active moiety before the agency could take a CFC-containing product off the market.

The resolution recognizes the pharmaceutical industry has made a great deal of progress toward fulfilling the expectation of the Montreal Protocol—that there will be excellent non-CFC MDIs available to patients. Clearly, this is not a situation where we will be taking good medications from the market and leaving a void. Nothing could be further from the truth, but it's important for us not to send a signal to manufacturers who are doing the right thing in developing alternatives that we do not see the urgency of beginning this transition. The resolution my good friends from Arkansas and Ohio propose corrects that mis-impression and I thank them for clarifying it.

The resolution expresses the expectation that the FDA, in consultation with the Environmental Protection Agency, will assess the impacts on the environment and patient health of a transition to CFC-free products. In doing this, the FDA must consult in the process with the many parties interested in this issue, which is as it should be. The information the FDA receives and develops from these discussions should be reflected in its proposed rule, along with information the agency has already received in the form of comments on its ANPR. I believe the intention of this resolution is clear—the FDA should continue this important dialogue after the proposed rule is issued. In this way, we can be assured a fair and balanced rule will emerge and move us away from the use of CFCs in a way which protects patients health and safety.

In short, this resolution urges the FDA to get on with the business at hand—namely, publish a proposed rule which lays out a framework for the transition from CFC to non-CFC MDIs by no later than May 1, 1999. This framework should be developed in consultation with patients, care givers and others to ensure continued patient health and safety. The urgency of this action is dictated by the need to allow patients and care givers time to consider the ramifications of the transition and prepare for it.

I want to thank the gentlemen from Arkansas and Ohio again for their leadership on this issue and their willingness to accommodate our concerns.

THE TUNNEL AND RESERVOIR PROJECT

Mr. DURBIN. As we consider the FY 1999 VA–HUD and Independent Agencies Appropriations bill, I would like to call your attention to the serious flooding problems that continue to plague the City of Chicago and its surrounding suburbs, and to urge your consideration to provide funding for a system of flood control tunnels designed to mitigate these weather-related problems.

For years, severe thunderstorms have caused extensive flooding in the Chicago area due to the antiquated storm drainage system that serves the region. The drainage system, also linked to the sewage system, is quickly filled to capacity and overwhelmed during storm events, resulting in sewage backflows into Lake Michigan and the basements of thousands of homes. This flooding creates major public health hazards, leaves neighborhoods without electrical power, and causes disruptions of major transportation thoroughfares.

These kind of flooding emergencies will continue to plague the City of Chicago and neighboring communities until the construction of an important system of tunnels and reservoirs is completed. This system is known as the Tunnel and Reservoir plan (TARP), an initiative of the Metropolitan Water Reclamation District of Greater Chicago.

Ms. MOSELEY-BRAUN. Madam President, my colleague from Illinois is exactly correct. TARP is a network of underground tunnels and reservoirs designed as an outlet for sewage and floodwaters during large thunderstorms. For almost two decades, the TARP system has slowly grown, gradually improving flood prevention system in Chicago. Without TARP, local sewage and rainwater drainage would have no where to go when large storms hit the area.

Already, TARP has greatly reduced contaminated flooding of basements, polluted backflows into Lake Michigan, and to the amazement of many, has markedly improved the water quality of the Chicago River, a feat thought to be impossible a decade ago. Although TARP is largely complete, federal funds are still needed to finish the system and complete the commitment that the federal government made to this project years ago.

Chicago desperately needs additional capacity to stop this flooding. Without TARP, homeowners and residents in the greater Chicago region will continue to experience serious economic and health hazards from flooding during severe thunderstorm events.

Mr. DURBIN. That is why we would like to ask the Chairman if he will give us his assurances that the subcommittee will give every consideration to including the House level of funding for this project during conference of this bill.

Mr. BOND. I appreciate the remarks of my colleagues from Illinois, and I understand the longtime importance of this pollution control project to you and your constituents. You can be sure I will work to include the funding for this project during conference of the VA–HUD Appropriations bill.

MERCURY EMISSIONS

Mr. LEAHY. Madam President, I have spoken previously on my concerns about the ongoing threats from mercury pollution to the lands, rivers and lakes of Vermont and the rest of the country. I sponsored a Senate Resolution that called on the Administration to release its long overdue Mercury Study Report to Congress, a report that was mandated by the Clean Air Act of 1990. Earlier this year I introduced S. 1915, the ''Omnibus Mercury Emissions Reduction Act of 1998'' which, if enacted, would significantly reduce the risks that this powerful neurotoxin poses to the neurological health and development of pregnant women and their fetuses, women of child bearing age, and children. Senators SNOWE, WELLSTONE and MOYNIHAN have joined me in co-sponsoring the legislation.

The Mercury Study Report to Congress states that 150 tons of mercury are released to the environment every year, year after year. The Study reports that more than one-third of the mercury that is released in the United States each year—52 tons—comes from coal-fired power plants. Mercury is contained in the coal. When coal is burned the mercury is vaporized and is released to the environment.

Once released to the environment, mercury does not behave like many pollutants. It does not biodegrade, it persists. Mercury does not become less toxic—it transforms chemically into even stronger and more toxic forms such as methyl mercury. Methyl mercury accumulates in fish, and it accumulates in the human beings that eat the fish. Once ingested, methyl mercury is rapidly absorbed and distributed throughout the body. It easily penetrates the blood-brain and placental barriers, and it stays in the body

for very long periods of time. One of the ways that it is finally excreted from the body is through breast milk. A developing fetal brain and nervous system can be exposed to mercury because the placenta and the blood-brain barriers offer no protection, and once born, the exposure can continue through breast milk.

There is ample evidence that mercury levels in the environment are increasing. One of the most telling indicators is the trend in mercury fishing advisories. In 1993, 27 states had issued health advisories warning the public about consuming mercury-tainted fish. In 1997, this had grown to 39 states. We are going in the wrong direction. Before we know it we are going to have filled the whole map with these warnings. It is time to reverse this trend.

While the EPA report does the best job so far in quantifying mercury emissions, many believe that the report understates the actual amount of mercury being released to the environment. Toward the end of obtaining better data on mercury emissions from coal-fired power plants, EPA has issued notice of its intent to begin collecting information from these facilities on the mercury that they emit. I think that this is an excellent step for EPA to be taking, and I strongly urge the Office of Management and Budget to support this information collection request. It is very much in keeping with the public's ''right to know'' about the types and amounts of toxic pollutants that are being released, and I strongly urge EPA to disseminate the information widely, including making it available via the Internet.

Madam President, I would like to state my serious concern about mercury-related report language in the House of Representatives VA/HUD/Independent Agencies appropriations bill. Among other things, the report language would require that another mercury report be developed. Each of the mercury-related tasks stipulated in the report language would need to be completed before EPA would be allowed to make any regulatory determinations on mercury.

This report language purely and simply delays efforts to control mercury emissions at the expense of those who are most susceptible to the effects of mercury pollution—pregnant women and their fetuses, women of child bearing age, and young children.

To put this delay into perspective, the 1990 Clean Air Act Amendments required EPA to study mercury emissions and to report to Congress. EPA completed the report in 1994 and, largely due to highly effective pressure exerted by the coal-fired power industry, the Agency sat on the report for 2 years. It was finally released last December after much effort by this Senator and a number of my colleagues. It is an excellent report, and the years that it spent on the shelf gathering dust did not alter its message. In the meantime, hundreds of tons of toxic mercury emissions continued to rain down unabated on our lands, rivers, and lakes.

The mercury report does not need to be redone. I do not believe that anyone who actually reads it objectively would conclude that we need to study mercury all over again before Congress or the Executive Branch can make any decisions about controlling mercury emissions. But that is precisely what the House report language would require. If the past is any indicator of how long it will take to accomplish what is contemplated by the report language, we will be at least halfway through the first decade of the next century and buried under more than a thousand more tons of mercury before the United States can take even the most minuscule action to control this toxic pollutant. This report language is an inappropriate use of the appropriations process. Such matters of substance and impact on the health and welfare of the citizens of the United States should be debated on the floor of the Senate and House of Representatives.

SHIP SCRAPPING

Ms. MIKULSKI. Madam President, I inserted a provision in this legislation to prohibit our government from sending our great Navy ships overseas—where they are dismembered in a dangerous, irresponsible and immoral manner. The export of misery and the exploitation of workers is beneath the dignity and honor of our nation.

I'd like to give the Senate some background on this issue.

With the end of the Cold War the number of ships to be disposed of in the military arsenal is growing. There are 180 Navy and Maritime Administration ships waiting to be scrapped. These ships are difficult and dangerous to dismantle. They usually contain asbestos, PCB's and lead paint. They were built long before we understood all the environmental hazards associated with these materials.

This issue was brought to my attention by a Pulitzer Prize-winning series of articles that appeared in the Sun written by reporters Gary Cohn and Will Englund.

They conducted a thorough and rigorous investigation of the way we dispose of our Navy and maritime ships. They traveled around the country and around the world to see firsthand how our ships are dismantled, and Mr. President, I must advise that the way we do this is not being done in an honorable, environmentally sensitive, or efficient way.

I believe when we have ships that have defended the United States of America, that they were floating military bases—and they should be retired with the same care and dignity with which we close a military base.

Let me read from the Sun series:

As the Navy sells off warships at the end of the Cold War, a little known industry has grown up. In America's depressed ports and where the ship breaking industry goes, pollution and injured workers are left in its wake. The Pentagon repeatedly deals with ship breakers with dismal records, then fails to keep watch as they leave health, environmental and legal problems in their wake.

Of the 58 ships sold for scrapping since 1991, only 28 have been finished. And oh, my God, how they have been finished. I would like to turn to my own hometown of Baltimore.

In Baltimore the dismantling of the *Coral Sea* has been a disaster. There were fires, lawsuits, delays—and injuries. The Navy inspector refused to board the *Coral Sea* because he was afraid it was too dangerous.

I am quoting now the Sun paper. ''September 16, 1993, the military sent its lone inspector for the United States to the salvage yard in Baltimore. He didn't inspect it because he thought it was too dangerous.''

The inspector was right to be concerned about his own safety. The next day a 23 year-old worker found out how safe it would be.

He walked on a flight deck and he dropped 30 feet from the hangar. ''I felt the burning feeling inside,'' he said, ''blood was coming out of my mouth, I didn't think I would live.'' He suffered a fractured spleen, pelvis, and broke his arms in several places.

At the same time we had repeated fires that were breaking out. In November of 1996, a fire broke out in the *Coral Sea*'s engine room. No one was standing fire watch. No hose nearby. The blaze burned quickly out of control and for the sixth time Baltimore City's fire department had to come in and rescue a shipyard. At the same time the owner of the shipyard had a record of environmental violations - a record for which he ultimately was sentenced to jail.

While all of this has been going on, the Navy also planned to send our ships overseas—where worker and environmental safety are virtually ignored.

In India, the Sun paper found a tidal beach where 35,000 men scrapped the world ships with little more than their bare hands. They worked under wretched conditions.

They often dismantle ships with their bare hands. They earn just a couple of dollars a day. They have no hard hats, no training. Every day, someone dies breaking these ships.

I will quote from the Sun series:

They live in hovels built of scrap, with no showers, toilets or latrines. They have come from poor villages on the other side of India, lured by wages that start at one dollar and fifty cents a day, to work at dangerous jobs, protected only by scarves and sandals.

They suffer broken ankles, severed fingers, smashed skulls, malaria fevers, dysentery and tuberculosis. Some are burned and some are drowned. Nobody keeps track of how many die here from accidents and disease. Some say a worker dies every day.

This is an international disgrace.

So I introduced legislation to prohibit the overseas sales of government owned ships to countries with poor labor and environmental records. I inserted similar language in the VA–HUD

appropriations bill that we are considering today.

This is not a ban on exports. Ships could be exported to countries that can break ships responsibly.

This limitation on exports would only be in effect for one year. This would enable the Navy to come up with a more ethical, workable plan for exports. This one year pause in exports would also enable us to improve our ability to dispose of ships here in the U.S. This will provide American jobs, and will strengthen our shipbuilding industrial base.

Some say that it is cheaper to send our ships to India and other developing countries. It is cheaper. Why? Because workers earn one dollar and fifty cents a day. They work eighteen hours a day. They have no training and no protection. They die or are maimed in terrible, preventable accidents.

It is always cheaper to exploit workers—and it is always wrong.

I would like to thank the Sun paper for their outstanding service in bringing this not only to my attention but to America's attention. Now the Senate must act to end these shameful policies.

The Sun reporters won the Pulitzer prize. But I want the United States of America to be sure that we win a victory here today for workers, the environment—and especially for the Navy. Because I know our Navy wants to do the right, honorable thing.

I hope my colleagues will agree with me that the practice of exploiting foreign workers and ignoring the environment is beneath the dignity of our great Navy, and of our nation.

(At the request of Ms. MIKULSKI, the following statement was ordered to be printed in the RECORD.)

• Mr. GLENN. I want to commend Senator MIKULSKI and the other Members of the Subcommittee for incorporating elements of the Mikulski-Glenn Bill (S. 2064) to prohibit export of ships to be scrapped in countries with substandard environmental laws and practices.

Senator MIKULSKI, with me as the prime cosponsor; introduced the original bill in May upon learning that the Federal ship-owning agencies, principally MARAD and the Navy, were retaining the option to export ships to countries with weak environmental and labor protection laws. They were retaining this option even after public reports and a GAO analysis that criticized Federal agencies for allowing the export of ships laden with PCBs, asbestos and hazardous materials.

In the past, these ships were sent to developing countries to be scrapped. They would lie listing just offshore, giant metal hulks waiting to be cut up and disassembled—often by children in barefeet—with the hazardous waste from the ships' interiors unceremoniously dumped overboard.

While I can respect the sovereignty of these countries in making their own environmental and labor laws—however inadequate they may be, I don't think that as a government the Feds should be contributing to that inadequacy by sending its own ships there to be scrapped in that fashion.

The VA–HUD Appropriations Bill contains language that contains a 1 year restriction of Federal ship exports for scrapping. No exports can be made unless the EPA certifies that the destination country has environmental standards and enforcement ''comparable'' to the U.S. So it is not an outright ban on exports. The language supplements the other part of the Mikulski-Glenn Bill, which strengthens environmental and labor protection criteria in Federal contracts for domestic ship scrapping. Those provisions were unanimously adopted as part of the DOD Authorization Bill and $7.8 million has been provided for this effort in the DOD Appropriations Bill.

We can protect our oceans, treat harmful hazardous waste safely, and scrap ships responsibly if we're willing to make the commitment to do the right thing. The language incorporated into the VA–HUD Bill takes that approach and resides there largely because of the effort and persistence of the good Senator from Maryland. I urge my colleagues to support that language, and to oppose any efforts to weaken it or strike it. •

Mr. SARBANES. Mr. President, I rise in support of the VA–HUD Appropriations bill. I thank Chairman BOND and Senator MIKULSKI, my good friend from Maryland, for their efforts in bringing this bill to the floor so quickly. I know how difficult it is to balance the many competing needs contained in this appropriations bill. Senators BOND and MIKULSKI are to be commended for the good bill that they have produced.

As Ranking Member of the Committee on Banking, Housing and Urban Affairs, I am particularly pleased with the appropriations for HUD. S. 2168 provides an increase in appropriations to HUD over what was enacted in FY 1998. I applaud these funding increases and I believe they will go a long way towards helping our neediest citizens. However, I am concerned that they fall somewhat short of the Administration's request—and considerably short of what is needed to address the severe housing and community development needs in this country.

Today, only about one out of every 4 households in need of housing assistance receives it. This includes households living in public housing, assisted housing, and housing built with the tax credit and HOME funds. Of the roughly 12 million unassisted families, approximately five and a half million have worst-case housing needs. These families are paying more than half of their incomes every month in rent, or live in physically substandard housing, or both.

My colleagues on the Appropriations Committee recognize this need. For the first time since 1995, they have provided for additional incremental vouchers; $40 million has been appropriated to support roughly 7,000 to 8,000 welfare-to-work vouchers—vouchers that will play a crucial role in helping smooth the transition from welfare to work. Furthermore, the appropriators have deleted a provision in current law which requires housing authorities to retain vouchers and certificates for a period of three months upon their turnover. This simple change means that as many as 40,000 additional low-income families will be served by the Section 8 program each year. I commend the appropriators for implementing this change.

While I applaud the direction S. 2168 moves us, I am discouraged by the pace. I fully understand the constraints in which the Committee has to work, but these constraints are artificial. CBO tells us to expect up to $63 billion in budget surpluses for FY '98, and hundreds of billions of dollars in surpluses over the next ten years. At least some portion of these funds should be returned to the HUD budget, which has been sacrificed over the years in the name of deficit reduction.

An appropriate start would be to fully fund the Administration's request of 50,000 welfare-to-work vouchers. A recent HUD study found that the fastest growth in worst case housing needs during the 1990s has been among working families. These findings indicate that wages earned by lower income working families simply have not kept pace with the escalating cost of housing. Welfare-to-work vouchers help fill the gap between real wages and housing costs. Additionally, they help unemployed and underemployed individuals move to where jobs are available. Finally, welfare-to-work vouchers build new partnerships between housing agencies and other local agencies which promote and implement welfare reform. For all of these reasons, it is important that more welfare-to-work vouchers are available in future years.

We should also be providing funding to fulfill the President's request of 34,000 vouchers for homeless persons. Homelessness continues to be a significant problem in this country. It is estimated that as many as 2 million people will experience homelessness at some point in the next year. Some of these people have chronic disabilities that lead to chronic homelessness; others experience unanticipated problems such as job loss or a sudden illness which results in displacement from their housing.

That is why I strongly support the appropriators' decision to substantially increase funding for homeless programs, and their decision to include a recommendation that 30% of all funding be allocated to permanent housing. These gestures indicate a real commitment to attaching permanent solutions to the problem of homelessness. But make no mistake. Vouchers are an essential tool for addressing the needs of the homeless. A tenant-based voucher provides immediate assistance to families in need, and is a much better and

cheaper housing alternative than a shelter. Project-based vouchers can leverage funding for supportive housing developments, which provide essential services for chronically disabled and chronically homeless individuals.

I am also pleased to see a renewed commitment to the HOPE VI program. S. 2168 would increase funding for the HOPE VI program by $50 million. This program has provided a crucial source of funding for redeveloping obsolete public housing developments and transforming entire neighborhoods. HOPE VI funds are used to leverage other public and private funds which can be used to promote resident self-sufficiency and economic independence. I have witnessed first-hand the impact that this program has had on communities in Baltimore, and I commend the appropriators for pledging more funds in support of these vital initiatives.

In order to succeed, however, public housing needs more funding. Without adequate operating subsidies, public housing authorities cannot pay for the day to day operations of their housing developments. PHAs are forced to put off routine maintenance and small capital projects. Over time, this leads to a greater demand for large scale capital improvements. It is currently estimated that PHAs would need roughly $4.5 billion of capital funds per year for 10 years just to address their backlogged capital needs. The Senate appropriation of $2.55 billion in capital funding for FY 1999 represents a $50 million increase over the level enacted in 1998, but does not come close to addressing the severe need for public housing capital improvements.

It is regrettable that S. 2168, while providing a much needed $75 million increase for Community Development Block Grants, does not adequately fund the Administration's Economic Development Initiative. The EDI supports grants and Federal loan guarantees which municipalities can use to leverage private capital for business loans, community development banks, revolving loan funds, large scale retail developments, and welfare-to-work projects. HUD requested $400 million to fund EDI in FY '99, anticipating that this would leverage $2 billion in private sector loans and create roughly 280,000 jobs in needy communities. Economic growth and jobs are the key to revitalizing urban areas, and the EDI fosters these opportunities. It is unfortunate that the EDI could only be funded at $85 million.

I am pleased that the appropriators showed a commitment to homeownership by expanding the FHA single family mortgage insurance program. This program is the best tool that the Federal government has for helping low- to moderate-income families become homeowners, and it doesn't cost the taxpayer a single dime. It is well documented that the FHA program serves a higher proportion of low-income, minority and first-time homebuyers than any of the conventional home loan products. By increasing the loan limits for this program, we should see a further expansion in homeownership throughout the country—both in high cost urban areas and lower cost rural regions.

S. 2168 also contains language which would require HUD to engage in a lengthy and resource consuming effort to redefine their fair housing mission. While I appreciate the need to have a clear mission statement, I am concerned that the process prescribed in S. 2168 will be detrimental to the Office of Fair Housing and Equal Opportunity's ability to fight housing discrimination. The Department's standard policy making procedures require that the public and Congress be notified when significant policy changes are being contemplated. Additional requirements beyond this will hamstring the Office, and take away resources which could be deployed to meet program goals.

Mr. President, I would like to thank my colleagues for all of their hard work. They are to be commended for substantially increasing the Federal commitment to housing and economic development programs in a climate of limited resources. I regret that we cannot do more at this time in the areas I have outlined, but S. 2168 is a good bill and I urge all of my colleagues to join me in supporting it.

FEMA

Mr. WELLSTONE. Mr. President, I want to acknowledge the good work of my colleagues, Senator BOND and Senator MIKULSKI, for taking on the difficult task each year of drafting the VA–HUD appropriations bill. I don't think many of us envy the job they have or the difficult choices they have had to make.

I have come to the floor today to talk about a small but very important agency that is funded in under the VA–HUD Appropriations bill—the Federal Emergency Management Agency or FEMA.

My first experience with FEMA was during the devastating floods that swept through Minnesota in the Spring of 1993. Most recently, I traveled with James Lee Witt to tour the damage caused by tornadoes this spring from Comfrey to St. Peter, Minnesota. I never thought that I would be forced to learn the intricate ins and outs of FEMA's programs and other emergency assistance programs, but I have. Since the flood of 1993, FEMA has been there on several occasions to help Minnesotans as they struggled through the early days after tornadoes and blizzards and floods to rebuild their lives and communities.

I want to thank James Lee Witt the Director of FEMA for all of his help over the years.

I really had the opportunity to get to know James Lee during last year's devastating flood of the Red River. He is one of the President's most outstanding appointments, a dedicated public servant and a great guy. Spending time with James Lee always has a catch, because it usually means that something really bad has happened in your state.

The good news is that it also means that something good is about to happen. Because FEMA comes in fast, comes in ready and works in partnership with state and local communities and authorities. FEMA is a great partner to have.

Under the direction of James Lee Witt, FEMA has undertaken a new program called Project Impact, a predisaster mitigation program. With Project Impact, FEMA joins in partnership with local communities and private sector businesses to educate residents on the steps they can take to reduce the damage disasters bring to our families and communities. This is another example of FEMA being a good partner.

FEMA and Director James Lee Witt have been there on many instances to help my state. I want to thank them for their assistance. Following our action here on the floor of the Senate, this bill will move to conference. At that time I hope that our conferees will remember the needs of a small agency with a big job—FEMA—and support the level of funding that was requested in the President's budget.

STATE REVOLVING LOAD FUNDS

Mr. BOND. Madam President—I would like to take some time to talk about the Clean Water and Safe Drinking Water Revolving Loan Funds.

First, let me say that the Clean Water Act has been one of our most successful environmental statues. Our success is measurable and indisputable. We must ensure that the progress made continues.

Enacted in 1972—we have seen impressive gains in our water quality protection.

Most of us are familiar with the Cuyahoga River fires. We are all familiar with rivers and streams that we couldn't let our kids swim or fish in.

Here in Washington, Lyndon Johnson called the Potomac River a ''national disgrace''.

The Clean Water Act, and more importantly, with the cooperation and dedication of the American people and industry, the majority of our rivers, lakes, and streams are fishable and swimmable.

But, we still have a ways to go.

Why?

One reason is that statistics show that beaches, rivers, and lakes are the number one vocation choice for Americans. Whether people go to swim, boat, or one of my favorite past-times—fish, keeping our rivers, lakes, beaches, and streams clean is imperative for public health, the environment and the economy.

In addition, it has already been ''shown'' that improving the water quality of the Potomac, or the Lehigh in Pennsylvania, or the Shenandoah in West Virginia is not just an environmental and public health success, but an economic one as well.

According to EPA's 1999 Annual Plan Request, ''Safe drinking water is the first line of defense in protecting human health.'' In addition, ''Safe drinking water is essential to human health and contaminated drinking water can cause illness and even death, and exposure to contaminated drinking water poses a special risk to such populations as children and the elderly.''

Today, we have close to 58,000 community water systems that are providing drinking water for 80 million households.

According to statistics this country has over 3.5 million miles of rivers and streams, 41 million acres of lakes, and 58,000 miles of ocean shoreline.

Cleaning up our nation's wastewater and assuring safe drinking water should be, must be, at the top of our environmental priority list.

Putting our resources to work where the risks are known and the benefits—both environmental and public health—are real and tangible! Setting priorities and making progress. Protecting public health and the environment. Investing our taxpayer dollars the right way. That is what investing in our water infrastructure is about.

Mr. President, despite the fact that the Administration has claimed clean water as a top priority, the President proposed a reduction of $275 million in the Clean Water and Drinking Water Revolving Loan Funds for fiscal year 1999.

As Chairman of this Subcommittee, I have made a priority of state revolving funds for water infrastructure financing—providing over $6 billion for SRFs since becoming chairman.

I know. Senator MIKULSKI knows. More importantly, this Congress has ''shown'' that the state revolving funds are critical for ensuring the nation's water is protected and safe drinking water is provided to commities across the country.

The state revolving funds stretch the federal dollar significantly through leveraging and cost-sharing features, helping to meet the very large need for water infrastructure financing.

The $14.3 billion federal investment into the clean water SRF has generated an additional $11.4 billion for wastewater projects, including $8.7 billion in net leveraged bond proceeds. This loan pool of $25 billion has resulted in almost 6,000 project loans! This is a very substantial and gratifying return on the federal investment.

According to EPA, the SRF program buys up to 4 times more environmental protection for the federal dollar than traditional one-time grants over a 20-year period.

EPA has identified the national need for infrastructure financing at over $130 billion just in the wastewater area alone. EPA has identified over $135 billion in drinking water infrastructure needs.

Mr. President—there are two glaring reasons of why investment in our water infrastructure is imperative.

First are tuberculated drinking water pipes.

Let me give you the definition of ''tubercle.'' Tubercle is a ''small, rounded prominence or process, such as a wartlike excrescence on the roots of some leguminous plants.'' In other words, there is something growing.

Too many drinking water pipes providing water to communities—water that comes out of your faucet in your kitchen sink and bathtub—are tuberculated. But it is rare that anyone ever thinks about it.

Too often no thought is given to the pipes until we become sick or there is an outbreak in the community.

The second reason is a sanitary sewer overflow.

A sanitary sewer overflow is a release of raw sewage often into lakes, rivers, and streams.

We still have instances of raw sewerage overflowing into our lakes. As I mentioned earlier, EPA has estimated over $130 billion in wastewater needs. Continued improvements to our wastewater infrastructure will help us conquer the problem.

For example, according to the EPA, improved sewage treatment is recognized as the single biggest factor in the Potomac River's restoration.

Our wastewater infrastructure, like our drinking water infrastructure, is out of sight. We forget that in some cases we have century-old facilities. All too often, we have facilities that have not been able to keep in step with the population growth and treatment needs.

Like our nation's highways, in many areas our water infrastructure has well exceeded its design life. Add to the expired design life, increased capacity and increased federal and state regulatory requirements and we have a potentially disastrous situation.

I was reading a brochure about clean water given to me by the National Utility Contractors and came across the following:

Before you build homes, establish businesses, or pave the streets, a dependable wastewater treatment system must be in place.

Way too often we tend to forget this basic fact.

Mr. President, I have made, and will continue to make, a commitment in protecting our nation's water. I look forward to continuing to work with my colleagues in the House and Senate to ensure that our progress continues in protecting public health and that real environmental gains and progress are made.

KYOTO PROTOCOL

Mr. BOND. Mr. President, there has been a great deal of discussion over the past year on the Kyoto Protocol and concerns about efforts to implement its requirements prior to Senate ratification.

We may disagree about whether or not the global climate is warming—and there certainly is no scientific consensus on the matter. But regardless of the scientific uncertainties and the differing views on the issue, one thing is certain: the level of greenhouse gas reductions called for in the Kyoto Protocol have the very real potential of inflicting serious economic harm on the U.S. economy.

The agreement reached last December in Kyoto would, according to numerous studies, lead to significant job less and substantial lifestyle changes for Americans. Energy prices could rise dramatically. One study by Charles River Associates and DRI/McGraw-Hill, for example, projected that in my state, industrial electricity prices could increase 54.4 percent.

Mr. President, this kind of increase in electricity prices would be devastating to small businesses, farmers, large manufacturers who employ thousands, and individual consumers, including those with limited incomes who would be hardest hit.

From the numerous studies that have been done to determine the effects of implementing the Kyoto Protocol, we know that we could expect a serious economic disruption. What is not so clear is whether there is a global climate change problem, and if so, how significant it is and what is its cause.

Therefore, I believe we must continue the debate and try to gain a better understanding of climate change and what action might be needed. To do so, we must continue funding of research and technology development. We must continue to support the voluntary efforts that many companies have undertaken to reduce greenhouse gases. And we must continue to support energy efficiency programs.

What we should not do at this time is to begin to implement the reduction requirements called for in the Kyoto Protocol. That should not happen until there has been a full debate and until this body has given its advice and consent to ratify the Protocol.

The Administration has assured Congress that it is not their intent to implement the Kyoto requirements in the absence of Senate ratification. Those assurances are appreciated. There is evidence, however, that efforts are underway to begin to implement the Kyoto requirements prematurely.

This is a concern because, as I said earlier, there is a potential for serious economic harm if the Protocol is implemented. Until we have eliminated the uncertainties surrounding climate change, and until we have had a full, open debate on the issue and appropriate responses, we should not embark on a path that could lead us into economic disarray. Implementation before ratification is not the responsible—nor constitutional—way to go.

That is why the Senate Appropriations Committee included in the VA/HUD report language clarifying that no funds should be used to implement the Kyoto Protocol. We must continue to provide for research efforts and other important programs that make sense, such as energy efficiency and voluntary initiatives, but we should not

begin to spend funds for a Protocol that has not yet been determined to be in the best interests of our country.

Mr. KERRY. Mr. President, I want to thank Senator BOND and Senator MIKULSKI for their hard work in bringing this bill to the floor so quickly and with such widespread support. It is a good bill—one which balances a number of competing demands while reinforcing the Senate's commitment to create new affordable housing and community development opportunities. This is not an easy task, and they deserve congratulations for successfully juggling many differing needs and interests.

While I wish that it could be more, I was pleased that President Clinton requested $50 million in funding for the cleanup of Boston Harbor. I am disappointed that the bill does not allocate funding for this project and other important water and sewer projects in Massachusetts. However, I am pleased that the House of Representatives has funded four important water and sewer projects in Massachusetts. I will be working to ensure that funding for Boston Harbor and other important water and sewer priorities are included in the Conference Report.

I believe that the overall budget for the Environmental Protection Agency is adequate. However, I am disappointed that bill does not include $600 million in funding to accelerate the cleanup of superfund sites which protect the public health.

I am also delighted that the bill includes a $500,000 appropriation to undertake interior restorations of Symphony Hall in Boston. For almost a century, Symphony Hall has been among the finest concert halls in the world and has been the center for classical music for the City of Boston and the New England region. These funds will be used to undertake interior renovations of Symphony Hall, including updating of the electrical, climate control, and fire protection systems.

I am pleased that the bill increases the level of funding that would be made available for medical care, benefits, pensions, and assistance programs to our nation's veterans in Fiscal Year 1999. I strongly believe that the administration's budget request for veterans—especially for VA medical care—sorely shortchanged the medical care needs of our veteran population as it is increasing in age and requiring additional health care attention. We have a moral obligation to ensure that all 25 million American veterans have adequate benefits and access to the best possible health care available.

I will continue to work diligently with my colleagues to find effective means to compensate veterans for smoking related illnesses and disabilities that directly resulted from the use of tobacco products during the veteran's active military service. Regrettably, the amendment raised by Senator WELLSTONE—that would have restored the ability of veterans to receive tobacco-related benefits eliminated with the enactment of the Transportation Equity Act for the 21st Century—did not pass. I cosponsored this amendment with the strong belief that the VA must retain this compensatory authority so that our veterans no longer are betrayed in underhanded attempts to secure funds for unrelated programs.

There is no parliamentary procedure or backdoor maneuver that can disguise the intention of the administration and many members of the Senate to deny veterans the ability to apply for these compensation benefits and the ability to receive health care treatment for them. America's veterans are painfully aware of these attempts. It is clear that our government actually contributed to the use of tobacco by service members when it supplied tobacco products free or at reduced prices. It is equally clear that our government has the responsibility to compensate them for the suffering they have incurred as a direct result. I remain committed to our nation's veterans and will do all I can to see that they receive the health care and attention they rightfully deserve.

There are many who would argue that the government no longer needs to focus its energies on housing and economic development initiatives. They say that the economy has never been stronger. They will site seven consecutive years of economic expansion. They will site growth in the GDP of 3.9% last year—the best showing in a decade. They will point to the lowest unemployment rates in 24 years and to the more than 14 million new jobs that have been created since 1993. And indeed, these are tremendous accomplishments for which the Clinton Administration is due a great deal of credit.

But to assume that all communities and individuals are benefiting from this growth would be a grave mistake. Nationwide the poverty rate in cities increased nearly 50% between 1970 and 1995. In all metro areas, central city unemployment rates are at 5.1%, a full one and a half points higher than their suburbs. It has also been estimated that only 13% of the new entry-level jobs created in the early 1990s were created in central cities. And tragically, while the nation is experiencing record levels of home ownership, there are still two million Americans who will experience homelessness in the next year.

This growing discrepancy in economic opportunity argues for a renewed commitment to funding for The Department of Housing and Urban Development programs. Unfortunately, over the past few years, the exact opposite has occurred. Since 1995, more than $11 billion has been cut from the HUD budgets. During this same period, HUD has instituted programmatic reforms that have produced savings of more than $4.4 billion. In other words, HUD has contributed more than $15 billion in savings and deficit reduction to the Federal government during a time when demand for its programs is growing. Now that the budget deficit has been eliminated, and there are projections of budget surpluses for the next decade, it is time to start reinvesting in housing, job creation and economic development for all Americans.

I believe that this bill takes a step in the right direction. On the whole, it provides additional funding for HUD above what was appropriated in FY 1998. $40 million has been appropriated to fund roughly 7,000 to 8,000 welfare-to-work vouchers. These vouchers establish a crucial link between housing and employment opportunities, while simultaneously helping those who are making a concerted effort to get off of welfare assistance. They are important tools whose significance cannot be understated given the uncertainty of welfare reform. It is unfortunate that the subcommittee was not provided enough funding to fully support the Administration's request to fund 50,000 welfare-to-work vouchers. It is also unfortunate, given these funding limitations, that the committee chose to earmark the vast majority of these vouchers for communities which may not have the greatest need.

I want to applaud the committee for striking a provision in previous appropriations bills which required housing authorities to delay the reissuance of vouchers and certificates for a three month period. The three-month delay meant that about one-fourth of all vouchers and certificates were taken out of circulation each month. As a result of the effective leadership shown by Senators BOND and MIKULSKI, repeal of the three-month delay provision means that approximately 30,000 to 40,000 more low-income families will be provided with housing assistance each year.

The committee is also to be congratulated for enhancing the commitment to fighting homelessness. This bill provides $1 billion in homeless assistance, a 22% increase over the $823 million appropriated for FY 1998. This money will be used by municipalities and non-profit organization to fund a variety of activities, locally determined, which address the needs of homeless Americans. This bill also includes a recommendation that at least 30% of these funds be used in support of permanent housing activities. Homeless providers and policy experts are nearly unanimous in their support for this set-aside. Permanent housing is the only long term solution to the homeless problem. I regret that the committee could not fund the Administration's request for 34,000 Section 8 vouchers for the homeless, but on the whole this bill reaffirms the Senate's commitment to ending homelessness.

It funds the Community Development Block Grant program at $4.75 billion, or $75 million more than was appropriated in FY 1998. These additional

funds will help communities fund economic development projects in distressed neighborhoods. Included in this appropriation is a $40 million set-aside for the Youthbuild program. I am the primary author of the YouthBuild legislation in the Senate. Youthbuild provides on-site training in construction skills, as well as off-site academic and job skill lessons, to at risk youth between the ages of 16 and 24. Approximately 7,300 young people have participated in Youthbuild programs to date. By increasing funding for this program by $5 million over what was enacted in FY 1998, the Senate has demonstrated a firm commitment to this very important program. More is needed, however, to help this program grow to meet the demand for these services. I will be working to increase the funding for this worthy program to $70 million in the Conference Report.

It is unfortunate that the committee could only make $85 million available for the Economic Development Initiative, another very important set-aside under CDBG. The EDI supports grants and Federal loan guarantees which allow municipalities to leverage private capital to promote economic development. HUD requested $400 million for EDI in FY 1999. At this higher level of funding, the EDI fund could serve as a mechanism for providing incentives for standardization of economic development loan criteria. Such standards could eventually serve as the foundation for development of a private secondary market for economic development lending—a step whose significance cannot be overstated. Our mortgage markets are the envy of the world because of their depth and liquidity—neither of which would be possible without the existence of government-sponsored secondary markets. These principles should be applied to economic development lending, and an enhanced EDI fund could provide the crucial first step. I hope that this need can be better addressed in conference.

We are currently seeing record levels of home ownership in this country, and HUD should take great pride in this accomplishment. The committee recognized the importance of home ownership, and has expanded the FHA single family mortgage insurance program to better reflect today's housing prices in high cost urban and rural areas. I support this provision. The FHA program is one of the most effective tools the government has for assisting low-income, minority and first time home buyers, and the modest expansion proposed by appropriators will help more middle income Americans realize the dream of home ownership. But we need to ensure that all who qualify for home ownership, regardless of race, creed or color, are afforded an opportunity to purchase a home in the neighborhood of their choice. Discrimination, as intolerable and deplorable as it is, is still a significant problem in this country—especially in the home purchase and rental market. That is why it is important to promote HUD's Office of Fair Housing and Equal Opportunity. The programs run out of this office support investigations, training, technical assistance, lawsuits and other locally developed initiatives that target and eliminate housing discrimination. Unfortunately, this bill falls considerably short of the Administration's request to fund these programs at $52 million for FY 1999. Worse yet, it institutes an onerous policy development requirement which may actually diminish FHEO's capabilities to protect Americans against housing discrimination. I believe the Department's fair housing policy is best set through the regular notice and comment rulemaking process, which takes into account the views of the public and the Congress. Adding additional requirements beyond this process will burden FHEO and hamper their vital mission.

Mr. President, this appropriations bill is not perfect. In addition to some of the shortcomings I've already highlighted, S. 2168 contains a significant cut in the public housing operating fund and continues to starve public housing of much needed capital funds. It does not fund HOME, lead-based paint initiatives, or homeless assistance at the levels requested by the Administration. Nonetheless, the bill has managed to increase funding for a number of very important HUD programs, which is no small task in a resource-starved environment. This bill places housing and economic development issues in the forefront of public debate, and takes a step in the direction of helping those who have yet to benefit from our nation's recent economic growth. I urge all of my colleagues to join me in supporting it.

AMENDMENT NO. 3199

Mr. DODD. Mr. President, had I been present for the vote regarding waiving the Budget Act for Senator WELLSTONE's amendment, I would have voted to waive the Budget Act. Senator WELLSTONE's amendment addresses the same issue as the point of order Senator MURRAY raised earlier this week. I supported Senator MURRAY then in her effort to ensure that veterans receive the compensation they are due, and I support Senator WELLSTONE. Although the Budget Act was not waived by a vote of 54–40, Senator WELLSTONE's effort was fitting and praiseworthy.

Veterans who suffer from smoking-related illnesses must be compensated by the government that encouraged them to smoke during their military service. During World War II, the government included cigarettes in the rations it issued to troops. Long after the government stopped issuing cigarettes, a ''smoke 'em if you got 'em'' culture pervaded military life. That culture led troops to begin and continue smoking, so this government has an obligation to do right by the men and women who once fought this nation's enemies. Many of those men and women are now locked in a different sort of combat. They battle against life-threatening, smoking-related illnesses, and in the meantime, this government is shifting funds away from veterans to pay for roads.

Today, the addictive nature of cigarettes is well known. Many veterans now smoke because they started during their military service. The government cannot deny this fact, nor can it walk away from veterans by denying them the compensation they are due. I will continue to stand with my colleagues who support providing for our veterans' needs.

PROSTATE CANCER RESEARCH

Mrs. BOXER. Mr. President, I introduced the Prostate Testing Full Information Act in June of 1997 following a series of town hall meetings in my State of California. At these meetings, we brought together the top prostate cancer experts in the State, the head of the urology branch at the National Cancer Institute, and prostate cancer survivors. Participants at these meetings reached consensus that Congress needs to do much more to fight prostate cancer. I introduced my bill to mobilize Congress on this issue and to increase resources to help the thousands of men who suffer from prostate cancer.

Last month, President Clinton announced the release of $60 million for prostate cancer research grants in a promising new Department of Defense program. This DoD research complements research at the National Institutes of Health. It is an essential component of the national effort to find effective treatment for prostate cancer.

To institute this program at the $60 million level, the DoD had to combine two years of appropriations. Even then, the program was only able to fund 25 percent of the worthwhile research projects presented. Every meritorious grant that goes unfunded is a missed opportunity to find a cure.

To ensure the strength of the DoD program, Congress should appropriate $80 million for fiscal year 1999. This would include $60 million to continue funding peer-reviewed research projects, and $20 million to maintain other elements of the DoD prostate cancer program, such as the prostate cancer imaging project at Walter REED Medical Center and research initiatives to target minority populations. To appropriate anything less than $80 million would send a devastating message to the men living and dying from this disease, to their families, and to the scientific community that is working to find a cure.

The Senate Appropriations Committee has proposed, at a minimum, funding prostate cancer research at the same level as last year. That proposal is not good enough. We need to do more on prostate cancer—not the same as we have done in the past. The Senate proposal does not provide sufficient funds to expand prostate cancer research. We need to appropriate at least $80 million for prostate cancer research at the DoD

if we are to reach our goal of funding a cure for this disease.

41,800 American men will die from prostate cancer this year. It is the most commonly diagnosed non-skin cancer among all Americans. More than 15 percent of all new cases of cancer this year in America will be prostate cancer, but less than 4 percent of total federal cancer research funds go to prostate cancer research. In the United States, prostate cancer kills about the same number of men each year as breast cancer kills women, yet prostate cancer receives only one-sixth of the research funding for breast cancer. This does not mean we should cut breast cancer research. Rather, we need to significantly increase our commitment to prostate and other cancer research.

Yesterday, 575 men were diagnosed with prostate cancer; another 575 men will be diagnosed today. 114 men died yesterday of prostate cancer and that same number will die today. We cannot make a difference for yesterday or today. But we can and must make a difference for tomorrow. I urge my colleagues to support this increase in funding for prostate cancer research at the Department of Defense so we can make true progress in the fight against devastating disease.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

Mr. LEAHY. Mr. President, I would like to commend Senator BOND and Senator MIKULSKI for once again crafting a VA–HUD Appropriations bill which deals fairly with a wide variety of competing programs and interests. I know that budget constraints have made the job especially difficult in recent years, but within those constraints in general, this bill reaches a very good balance.

There are two provision in the bill which I have concerns about and which I hope can be addressed in conference. The first is funding for the Community Development Financial Institutions (CDFI) Fund. The Senate bill provides $55 million for this important program, $25 million below last year's level and $70 million below the President's request.

The CDFI Fund is an economic development initiative that was adopted with overwhelming bi-partisan support several years ago. The program is an important investment tool for economically distressed communities. CDFI leverages private investment to stretch every Federal dollar. The VA–HUD Appropriations bill reported by the House Appropriations Committee includes level funding for CDFI, still well below the level requested by the Administration. This program is working effectively in communities across the country, and I believe additional resources are needed to maximize the value of this important Federal investment. I look forward to working with Senator MIKULSKI and Senator BOND during conference to provide additional funding for this program.

The second provision I would like to address is Section 214 of the Senate bill. Section 214 specifically prohibits the Department of Housing and Urban Development (HUD) from providing any extra points or preferences to grant applications from Empowerment Zones or Enterprise Communities on the basis of their special designation. This prohibition is in direct opposition to the approach Federal Departments have taken since the creation of the Empowerment Zone program, of providing modest advantages to applications from designated communities. The grant preferences HUD offers to designated communities are indeed modest, two points out of a total score of 100. These extra points will not provide the boost needed to allow bad applications to be chosen over good ones just because the poorer application is submitted from an Empowerment Zone or Enterprise Community. What they do provide is an incentive for designated communities to continue to pursue the initiatives they set out in their application for Empowerment Zone status. I strongly oppose this provision and will work with Senator BOND and Senator MIKULSKI in conference to drop it from the VA–HUD Appropriations bill.

Mr. KENNEDY. Mr. President, despite overwhelming public opposition to weakening protections for the environment and public health, some members of Congress are attempting to do so indirectly, by including anti-environment and anti-health directives in committee reports accompanying this year's appropriations bills. Often, these policy directives flatly contradict specific laws or the statute books.

One particularly insidious example would endanger children. In the last Congress, with broad bipartisan support, we enacted the Food Quality Protection Act to provide safeguards against exposure to dangerous pesticides. But now, the Senate committee report accompanying this VA-HUD Appropriations Bill contains language that could delay implementation of key parts of this law for years, prolonging exposure of children to pesticides used in treating high chairs, sponges, cutting boards and other products used by children.

The use of pesticides in these products is unauthorized, but unauthorized uses have become a serious problem in recent years. Some manufacturers are taking pesticides intended for other uses, and using them in connection with common household products, and advertising the products as safe. Very little research has been carried out to determine whether these household uses are safe. Until they are shown to be safe, their use in such products should be restricted. EPA has the authority to do so, and EPA is right to do so.

Under the Food Quality Protection Act, the Environmental Protection Agency has recently acted against manufacturers who use pesticides in ways not approved by EPA. Usually, the manufacturers make unproven claims that their products kill salmonella or other germs, and state or imply that the products are safer for children than other products on the market that have not had such treatment.

The Committee report on the current bill asks EPA to go through the process of promulgating a formal rule before moving forward with such enforcement actions. EPA has already given extensive opportunities to the industry to comment on the agency's rules on this issue. A formal rulemaking procedure is unnecessary and will result only in delay of needed action and needless litigation to block such protection.

Obviously, committee report language cannot change current law. I urge the Administration to ignore all policy directives in reports that are inconsistent with existing law and that would undermine the environment and public health. EPA should continue its important mission of protecting the environment and children's health.

Mr. MURKOWSKI. Mr. President, today I rise to thank my colleague, the Chairman of the VA/HUD Appropriations Committee, Senator BOND, for including in this appropriations bill an important provision—one that would unlock and open the door to many first-time home buyers.

As we are all aware, it is often the downpayment that is the largest impediment to home ownership for first-time home buyers. The Federal Housing Administration (FHA) began a pilot program two years ago to help families overcome that impediment by lowering the downpayment necessary for an FHA home mortgage.

Mr. President, I am pleased to say that the pilot program, which is located in Alaska and Hawaii, has reported great success.

This pilot program is effective because it accomplishes two feats: (1) it lowers the FHA downpayment, making it more affordable; and (2) it makes the FHA downpayment calculation easier and more understandable for all parties to the transaction. The pilot program requires—on average—only a minimum cash investment of three percent for home buyers.

Earlier in the year, I and Senators STEVENS, AKAKA and INOUYE, introduced a bill that amends the National Housing Act by simplifying the current complex downpayment formula. The simplified formula creates a lower, more affordable downpayment. Our bill would extend this lower and simplified downpayment rate to perspective home buyers across the country.

Mr. President, the pilot program is a win-win situation: affordable homes are made available to responsible buyers without any increase in mortgage default rates. Here's what mortgage lenders have reported:

There is no indication of increase in risk. The loans we have made to date have been to

borrowers with excellent credit records and stable employment, but not enough disposable income to accumulate the cash necessary for a high downpayment.—Richard E. Dolman, Manager, Seattle Mortgage, Anchorage Branch.

Is the 97% program working? The answer is a resounding YES!. . .In this current day, it takes two incomes to meet basic needs. To come up with a large downpayment is increasingly difficult, especially for those just starting out. The 3% program is a good start. . .I do not believe that lowering the downpayment increased our risk. . .—Nancy A. Karriowski, Alaska Home Mortgage, Inc., Anchorage, Alaska.

We have experienced nothing but positive benefits from the FHA Pilot Program Loan Calculation in Alaska and Hawaii.—Roger Aldrich, President, City Mortgage Corporation, Anchorage, Alaska.

In fact, but for the pilot program, approximately 70% of the FHA loan applications in Palmer, Alaska would be rejected, simply because the buyer could not afford the downpayment. Mr. President, thanks to this pilot program, more and more deserving Alaskans are becoming home owners.

Mr. President, our legislation has the support of the Mortgage Bankers Association of America, the National Association of Realtors, the National Association of Home Builders and the U.S. Department of Housing and Urban Development. They believe, as I do, that borrowers in all states should benefit from the simplification of the FHA downpayment calculation.

Therefore, I am pleased that the Chairman of the Subcommittee has included in this appropriation bill a provision to expand the Alaska/Hawaii demonstration program to all states. The provision only offers the program as a two-year demonstration project, whereas, my legislation would have made it permanent—but I understand the Chairman's desire to continue evaluating the costs of this program before permanent status is granted.

Mr. President, I firmly believe that helping American families realize their dream of home ownership is vital to the Nation as a whole. This important provision in the VA/HUD appropriations bill does much to assist families in owning their first home—thereby making the American dream of home ownership a reality.

Mr. HARKIN. Mr. President, with respect to the HUD Section 811 program, does the bill provide for continued funding for the ''mainstream'' voucher and certificates program?

Mr. BOND. The bill allows HUD to direct 25% of the funds allocated for the HUD Section 811 toward tenant-based rental assistance for people with disabilities—$48.5 million. Congress has allowed HUD to transfer these funds for ''mainstream'' vouchers and certificates in both FY 1997 and FY 1998. In addition, the bill grants HUD specific waiver authority with respect to existing programmatic requirements under Section 811. This limited waiver authority is intended to assist HUD in furthering the overall goals of the 811 program by increasing housing opportunities for persons with the most severe disabilities.

Mr. HARKIN. I believe that the voucher and certificate 811 program would be more beneficial to those with significant disabilities if non-profit organizations with significant experience providing such services would be fully engaged, working with housing authorities. And, I believe that HUD should give favorable treatment to applications providing for substantial assistance by non-profit organizations with experience in helping the severely disabled.

Mr. BOND. I agree. As my colleague knows, non-profit organizations that traditionally serve persons with severe mental and physical disabilities are a critical part of the success of the section 811 program. Any federal programs intended to meet the housing needs of people with mental and physical disabilities should draw in the expertise of organizations that have experience in providing supports and services to adults with severe disabilities. By contrast, the current ''mainstream'' voucher and certificate program does not currently consider this very important issue in the allocation of certificates and vouchers. Housing authorities should be encouraged to increase their coordination with non-profit organizations and the awarding of the vouchers and certificates should be based, in part, on that factor.

Mr. HARKIN. I appreciate the Chairman's assistance in this matter.

RECOGNITION OF OZANAM IN KANSAS CITY, MISSOURI

Mr. BOND. Mr. President, I rise today to recognize Ozanam in Kansas City, Missouri for its service to the community. For fifty years, Ozanam has been helping children and families in turmoil. Ozanam facility and staff help children reach their full potential and become productive members of society.

Ozanam began in the home of Mr. Al Allen, a Catholic Welfare Staff member, who after noticing the lack of help for emotionally disturbed adolescents, took it upon himself to being six boys into his own home to give them long-term care, education and guidance. However, in just a year's short time, the need for a larger facility became apparent. Presently, the agency occupies 95 acres including two dormitories, a campus group home, a special education center that contains vocational training classrooms, indoor and outdoor recreation facilities and a spiritual life center.

During its existence, Ozanam has had some outstanding staff and administration to help the more than 4,000 children who have stayed there. Paul Gemeinhardt, President, Judith Hart, Senior Vice President of Development and Doug Zimmerman, Senior Vice President of Agency Operations, deserve special recognition for their undying commitment and service to Ozanam.

I commend the staff of Ozanam for their untiring dedication to helping children and their families in their time of need. I join the many in Missouri who thank Ozanam for its good work and continuing efforts to better the community. Congratulations for fifty years of service.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Madam President, I just wanted to raise an issue to my colleague from Missouri, the manager of the bill, and the distinguished Senator from Maryland. This is just as an issue to raise with you. We may want to take a look at it. I regret I didn't bring this up earlier.

Under the present system, as I understand it, nurses at VA hospitals do not receive cost-of-living adjustments. It is based on locality pay. In many areas around the country, nurses in our VA hospitals have not been getting raises. It is a bit more complicated an issue than just a simple amendment to deal with this, but for the last 3 years, in many veterans hospitals there have been no cost-of-living or locality increases during a robust economy.

Many of these, mostly women but some men, work very hard on behalf of our veterans. I know all my colleagues know and understand this. I urge, if we could, maybe enter into a colloquy in some way and look at report language in which we might examine that issue in terms of how, for nurses who work in these hospitals, we may be able to work out some better pay increase arrangement for them at these VA hospitals. I really raise that for the consideration of the two managers of the bill.

I apologize for interrupting what I know is a decision to just move to final passage on this bill.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Madam President, frankly, I am not aware of this problem, but I sincerely appreciate the Senator from Connecticut raising it because it sounds like a very serious problem. I can assure the Senator, our staffs and we will work with the Senator to try to get to the bottom of this because we want to maintain the highest caliber professional service to our veterans in the VA system.

I am not prepared to say anything about how it is occurring or why, but I assure the Senator we appreciate his bringing it up and we will look into it and work on it. Perhaps in conference we can take some action.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Madam President, I thank the Senator from Connecticut for raising this issue. It is never too late to raise the issue about the quality of care that our veterans get. That means we need to be able to retain the very best from our nurses. The Senator has brought to our attention an issue which I believe has not been raised before. As we move to conference, you have the assurance of your colleague on this side of the aisle, we will look

into the matters raised and see how we can do the redress in conference, if a remedy is necessary.

But you have really brought something to our attention. It is important to the nurses who give care that they get paid and are retained, and we say thank you by adequate pay. Second, it has a direct impact on veterans' care, because the more we retain the best, the better care they get. So I thank the Senator from Connecticut.

Mr. DODD. Madam President, let me say, I thank both the distinguished Senator from Missouri and the distinguished Senator from Maryland for their comments. As I said, I think it is a complicated issue. I don't mean to suggest it is simple. But I really do appreciate—I know the nurses all across the country who work in our veterans hospitals really appreciate the attention I know our colleagues will give to this issue, to see if some mechanism can be offered to try to address this issue.

I am very grateful to both of them. I know the nurses in the hospital in West Haven, CT, are, and I am certain they are in other parts of the country as well.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

(The text of the bill (S. 2168) will be printed in a future edition of the RECORD.)

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

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. LOTT. Madam President, I know there may be a couple of statements by the managers of the bill. I thank them for the work they have done. They stayed here until about midnight last night.

The distinguished chairman from Missouri and ranking member, Senator MIKULSKI from Maryland, have done outstanding work. By staying here until midnight last night, they completed a bill that probably would have taken 2 full days next week, so I congratulate them for their good work. We just passed the HUD-VA appropriations bill. That is the fourth appropriations bill this year.

We will next proceed to the legislative appropriations bill. However, no further votes will occur during today's session. Because of the good progress we are making and the cooperation we are receiving, we can go to the legislative appropriations bill. Any votes with respect to the legislative appropriations bill will be postponed to occur at 9:30 a.m. on Tuesday. Therefore, there will be no recorded votes on Monday. On Monday, the Senate will begin the State-Justice-Commerce appropriations bill.

Mr. FORD. Madam President, will the distinguished majority leader yield for a quick question?

Mr. LOTT. I will be glad to yield to the Senator from Kentucky.

Mr. FORD. On the legislative appropriations bill, will there be no further amendments after today if we have to vote on them next week?

Mr. LOTT. I respond, Madam President, to the Senator from Kentucky, it is our intent to complete debate on all amendments with the possibility of one amendment where there could be some further debate on that on Monday. But all debate on all issues will be completed during today, except that one amendment. There could be 2 hours debate on Monday and hopefully complete it with a voice vote; hopefully complete legislative appropriations on Monday. If a vote or votes are required, they will not occur until Tuesday morning.

Mr. FORD. I am not particularly worried about when you have a vote on final passage. I am worrying about cutting off amendments, so that when Monday comes and somebody thinks of another amendment, they will be cut off.

Mr. LOTT. We will propound another unanimous consent request to lock that in.

There will be no more recorded votes today and no recorded votes on Monday. The next will occur at 9:30 a.m. on Tuesday.

Mr. BOND. Madam President, I express appreciation to the leadership on both sides—the majority leader and the minority leader—for enabling us to get back on this bill and move it through. I thank all Senators for their accommodations and for working with us to get a very challenging and interesting bill finished.

I express particular appreciation to Senator MIKULSKI. She has been an absolutely invaluable ally in making accommodations and working out reasonable agreements on this bill. Last night she said her clear, cogent, and charismatic comments, which helped us move the bill forward in an expeditious fashion.

I express thanks to her very able staff, Andy Givens, David Bowers, and Bertha Lopez.

I thank my staff, John Kamarck and Carolyn Apostolou, as well as members of my personal staff who helped on the bill. We look forward to taking this measure to conference and working on it in the most efficient and effective way possible. I appreciate the assistance of all those who stayed with us last night. Their sense of humor continued into the small hours of the morning, and I am most grateful for that.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Madam President, first, I thank the leadership—the Republican leader and the Democratic leader—for giving us a window of opportunity which enabled us to move the bill. Yes, it was late at night, but we did due diligence and deliberation. I am proud to support the final passage of this bill. It is good for the Nation; it is good for my own home State.

We provide increases for veterans' medical care and veterans research. We fought to restore cuts in elderly housing, and we provided increases in the high-tech future through NASA and the National Science Foundation. We are going to get behind our kids in terms of the funding for national service and those wonderful informal science programs at the NSF.

We worked to protect our environment, as well as stand sentry to help our communities in the event of a disaster. I was particularly pleased to work on a bipartisan effort to increase antiterrorist efforts in the FEMA program and to make sure that we protect our Nation from any foe, domestic or foreign. That is our oath, and that is what we will do.

Also in this funding, we look for those important things that look out for the Chesapeake Bay and deal with important research on pfiesteria.

Madam President, this is a good bill. I was pleased to work with Senator BOND. Again, this is a partisan-free zone that we had called for. I thank him. I thank his professional staff for their very professional behavior. I thank my own staff for the hard work that they put into this bill, and I look forward to working in conference and perhaps getting our conference done before the August recess.

Madam President, that concludes my remarks on this bill. Again, thanks to John Kamarck, Carolyn Apostolou, Andy Givens, David Bowers, and Bertha Lopez.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

COEUR D'ALENE LAKE AND BASIN

Mr. CRAIG. Madam President, I chose not to offer an amendment on VA–HUD, and I thank Senator BOND and Senator MIKULSKI for the tremendous work that they have done.

For a few moments, if I can have the attention of the Senate, Madam President, I want to speak to an issue that is not unlike what the Senator from Nebraska spoke to last evening, a very real concern of mine and the Idaho congressional delegation and the citizens of our State. This is an issue that particularly affects north Idaho, the beautiful lakes and the mountains that we are so proud of in my State and that many of you have come to enjoy.

As I said, I was prepared to offer an amendment that would assure the Environmental Protection Agency would participate in the mediation process that is currently underway in my State over the issue of the Coeur d'Alene Basin.

On May 4 of 1998, U.S. News & World Report published an article dealing with supposed pollution in the Coeur d'Alene Lake and Basin. I read the article with near disbelief. For the first

2½ pages, I read of a land fouled by pollution, of poisoned fish and dying wildlife, and the Idaho congressional delegation ''scrambling'' to block the creation of a Superfund site of over 1,500—let me repeat—a Superfund site proposed of over 1,500 square miles in my State stretching into the State of Washington and the Pacific Northwest.

I read the article and said, could this be the land that I know and love, a land of beautiful forests, mountains, lakes, rivers, the Coeur d'Alene area, ''considered to be one of the most beautiful mountain lakes in the world''? I have put this in quotes because it is a direct quote from the web site of the Coeur d'Alene Basin Indians. The Coeur d'Alene Indians talk about the beauty of the land, and yet the Coeur d'Alene Tribe has also filed a lawsuit asking for a Superfund natural resource damage settlement in the basin that could be up to $1 billion.

One would believe that another study is needed to understand the horrible pollution that is described in the beginning of that article.

But then I arrived on page 3 of the U.S. News & World Report article and read about the lake, this beautiful lake that I have just spoken of, a lake that meets Federal drinking water standards and that the sediments in the lake are not known to be causing problems. Indeed, thousands of people swim in this lake every year. They boat in its waters; they fish, they camp and recreate along its shores.

Over the Fourth of July break, just a few weeks ago, 40,000 to 100,000 people came to recreate in and around Lake Coeur d'Alene. Several communities draw their drinking water from the river below the lake. The water they consume continually meets tough Federal drinking water standards.

A recently completed statistical validation study by the State of Idaho, with assistance from the Coeur d'Alene tribe and a toxicologist at the Federal Agency for Toxic Substances and Disease Registry, with data analysis from the Federal Centers of Disease Control and Prevention, have said and found no contaminated fish in the waters of this lake.

The Environmental Protection Agency and other Federal agencies have spent millions of dollars from the public coffers to study the situation. Lawyers are litigating and making hundreds of thousands of dollars and building beautiful homes along the lake's shore from the money they make from this lawsuit as they describe the poisonous sediments of this lake. Now, remember, this is the lake that I just said meets Federal drinking water standards.

What is going on up there? Well, it is not unlike what the Senator from Nebraska talked about last night—an EPA that just keeps on running and keeps on moving and pushing the regulations when there is no basis under Federal law and tests for that. Looks like they have just got to have something to do.

Should we be looking for ways to address the problem rather than pursuing study after study that appears to lead to more studies? Well, I think the answer is yes. That is why the Idaho congressional delegation has introduced legislation to improve cleanup efforts rather than to fuel more lawsuits and spend more taxpayers' dollars studying the already well-defined problem.

This legislation has been approved by the Senate Environment and Public Works Committee. This is what we need to do in the Coeur d'Alene Basin. We need to stop EPA and work to resolve the issue instead of spreading it to a 1,500-square-mile area. It is impossible to believe that when we created the Superfund law that we were intending EPA to even reasonably think about an area of 1,500 square miles. That is bigger than some States here on the east coast.

I have not offered the amendment because EPA is now beginning to negotiate with the State of Idaho. I hope they can continue to work together to resolve this issue and not expand a Superfund site beyond the limited one we have that is now being well addressed and properly cared for.

I thank the chairman of the Appropriations Committee, Senator BOND, for being reasonable and working with us on this issue.

But EPA ought to get the message, and the Justice Department ought to get the message: Politics is one thing, but spending America's taxpayer money—millions and millions of dollars—to play the political game is yet another thing. To tie up the beautiful Lake Coeur d'Alene and the city of Coeur d'Alene, one of the No. 1 destination sites in the Nation for tourism and recreation, an area that you can walk out into the lake and swim in the lake and drink the water, and yet EPA is suggesting, and the Coeur d'Alene Indians are suggesting, that this should be a Superfund site? I would hope not.

In fact, I hope this Congress would wake up to the games that have been played in the EPW Committee not to allow Superfund reauthorization out because somehow it does not fit the politics of the current administration. It does not make a lot of sense, certainly does not make any sense in Idaho.

I hope EPA will continue to negotiate with our State to resolve this issue. If not, the Idaho congressional delegation will be forced to take quick action to resolve the issue here. I think finally we are going to get the understanding of our colleagues because of their recognizing that Superfund does not work anymore. It just means a lot of lawsuits and a lot of politics.

I yield the floor.

Mrs. MURRAY. Mr. President, I would like to respond to the statement my good friend from Idaho, Senator CRAIG, made about the Environmental Protection Agency and the Coeur d'Alene Basin's pollution problems. I appreciate that he did not offer his amendment, which I would have opposed, because I believe it would have severely restricted the State of Washington's rights to protect its citizens from pollution generated in Idaho.

At least one version of the senior senator from Idaho's proposed amendment would have given the governor of Idaho veto power over the Environmental Protection Agency's ability to protect the watershed shared by Washington and Idaho citizens. The amendment would have prevented the EPA from even studying expansion of the existing Superfund site without the Idaho governor's permission.

This is a bad precedent. I know there are many times when decisions made in one state can affect the quality of the water in another state. In this case, the Governor of Washington has publicly stated his support for potential expansion of the Superfund site to ensure all polluted waterways are cleaned up. Why should the governor of Idaho be allowed to thwart efforts to protect the quality of water in Washington?

I don't think he should.

Mr. President, I have written a letter to Senators CRAIG and KEMPTHORNE asking them to work with me to develop a way to ensure we cost-effectively clean up the Coeur d'Alene Basin while ensuring my state's interests aren't jeopardized in the decision making process. I firmly believe we can do this.

I am committed to protecting water quality in the State of Washington. I believe we could establish a working commission, which would include the federal government, both state governors, and tribes, that could develop a model by which the Coeur d'Alene Basin would be quickly, cost-efficiently, and rationally cleaned up. However, giving one state's governor veto power is not the way to do it.

I pledge to work with the Idaho delegation, the State of Washington, and concerned citizens to ensure our waters are as pure as they can be. There are few more precious natural resources than water and we all must work to protect it.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

ON THE VICTORY FOR FHA INSURANCE

Mr. D'AMATO. Madam President, I was tremendously heartened by the vote today on an amendment which would have set back home ownership tremendously. Indeed, by a vote of 69 to 27, the Senate voted to table the amendment offered by Senator NICKLES which would have limited FHA insurance to over 50 million Americans.

Currently, there are 52.5 million Americans who live in high-cost areas where FHA simply does not reflect the reality of the marketplace. In high cost areas, such as Nassau County, New York the current FHA limit of $170,000 is insufficient because the median cost for a home was $195,000 in 1997. It is nearly impossible for many young families starting out to achieve the American Dream of homeownership. Let me

be clear, we are not talking about wealthy families; we are talking about a two-wage-earner couple, just married, a schoolteacher and a police officer—struggling to accumulate the necessary funds for that first downpayment.

In many high cost areas, FHA no longer covers the cost for entry-level, new starter homes. In Levittown, Long Island—which epitomized post-war expansion of homeownership for working, middle-class families, especially for GIs returning home from the war—that opportunity, unfortunately, is becoming more difficult today. Even in times where we say the economy is booming and a nationwide rise in homeownership, families in high cost areas are too often being left behind. Indeed, in many of these high cost areas, the homeownership rate is lagging far behind the nationwide average. Young families starting out on their own have to come up with $25,000 for a downpayment—which is very, very difficult to achieve, especially in an area where the cost of living places such a tremendous strain on the family budget. We are not talking about people of affluence. Nor are we talking about magnificent estates or mansions, but simply average median-cost homes.

Indeed, in Long Island, where homeownership has been such a key ingredient to permitting people to work and live as part of a community, home ownership is becoming more difficult for these working, middle-class families. It is simply beyond their reach. Thankfully, today we have helped to bring relief to families in high cost areas by raising the FHA limit. In Long Island, the area that I grew up in and live in, where there are nearly 3 million people, we will now be providing greater opportunities for young middle class families to own their own home. The current FHA limit, which is set at $170,000, is simply too low in an area where there are relatively very few homes that can be purchased in all of the island for $170,000 or less. By raising the limit up to $197,000, FHA will better reflect the reality of the marketplace where the median home prices in Nassau and Suffolk Counties were $195,000 in 1997. We will now be providing that opportunity to thousands of young families who will be looking to purchase that first home in Long Island.

Nationwide, about 21 percent of the Nation's population lives in high-income areas. Again, this FHA increase in not for the benefit of the affluent—they do not need FHA insurance and will continue to be served by the private market. Indeed, they buy homes that cost much more than $197,000.

What we have done is, I believe, struck a blow for home ownership, for young families who want to get an opportunity, from one length of the country to another.

The mayor of Albany, Mayor Gerald Jennings, he called me yesterday. He was concerned because of the outlying communities in the Albany area. The county executive from Nassau, Tom Gulotta, called me because his housing experts advised him that too many young families are being denied the opportunity to purchase a home. They need to be able to get FHA insurance for young families who are starting out on their own.

I commend the Senate for overwhelmingly supporting this provision by a vote of 69–27 to raise the FHA limits in high cost areas. I believe we achieved a big victory for home ownership throughout this country today.

I yield the floor.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. KERREY. Madam President, I ask unanimous consent I be permitted to speak as in morning business until 11 o'clock.

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

SOCIAL SECURITY

Mr. KERREY. Madam President, the issue of Social Security has been given a new bit of attention this week. Senator JUDD GREGG of New Hampshire and Senator JOHN BREAUX of Louisiana announced their intent to introduce legislation that effectively takes the recommendations of a year-long study and recommends a number of changes.

I like their proposal, Madam President. Senator MOYNIHAN and I earlier introduced legislation that proceeds along similar lines. Senator GRAMM and Senator DOMENICI are working on their own proposal. The President has suggested that we have a year-long discussion of Social Security and that sometime in the latter part of this year/first of next, he will call the congressional leadership in and we will try to solve this problem in 1999. That will be very difficult to do unless these discussions are conducted in an environment where we make a real effort to educate the American people about what Social Security is and what Social Security isn't.

There was a recent Town Hall meeting on Social Security in Providence, RI. I attended the first meeting in Kansas City, MO. Indeed, the President was at Georgetown when he kicked this whole thing off earlier this year. When he was introduced at Georgetown, a woman who is a student at Georgetown did something quite interesting and quite common in the Social Security debate. She said when she took her first job, she noted on her paycheck that there was a person called FICA. She went home to her mother and said, ''Mom, who is this FICA person, and why are they taking so much money from me?'' She had discovered the payroll tax, which is the largest tax burden on working Americans today.

I note that there is growing interest in using the surplus, that we have to use it to do some kind of a tax cut. I intend to argue that if taxes are going to be cut, it ought to be the payroll tax that gets cut. FICA is the largest tax for nearly 70 percent of Americans. The median family in Nebraska will pay twice as much in FICA taxes—in payroll taxes—as in income tax.

As this young Georgetown woman went on to say, her mother told her that FICA is a payment she is making into Social Security that she will get back out when she retires. And she hopes, she said to the President, that their discussion will lead to the protection of the money she has paid in over the years. Relevant to the discussion of Social Security, one of the things I hope the President and the Vice President will do when they are having a discussion of Social Security—is to allow workers to have just that—the ability to use a portion of their payroll taxes to create wealth for retirement.

You hear other people describe Social Security as a program with a poor rate of return. As I said, I did not go to the Providence discussion, but I sent staff to it and they reported back that numerous people expressed the view that Social Security is a savings program, that individuals are making a contribution into it, and all they are getting back is what they paid in.

It is not a savings program. You own nothing with Social Security. Social Security is a payroll tax, and it is a tax that is imposed upon people who are working. The proceeds of that tax come to the Federal Government, and are distributed to people who are eligible, based on virtue of meeting the test of age, disability, or survivorship of a person entitled to Social Security benefits. For retirees, there is an early eligibility age of 62, and there is a normal eligibility age of 65. There are also many people who actually choose to take a later eligibility of 70, where they can get a higher level of benefits.

This is very important. As the President goes forward with the discussion on Social Security, he is the principal leader in this regard. He has the bully pulpit. I praised him before and I praise him again for taking this issue on. It is an extremely important program and has benefited Americans enormously. It has changed the face of this country. It is a moral commitment that we make. But, it is not a rate of return program.

I urge the President and the Vice President, when they are leading these discussions, if there is any confusion, to say to Americans that this program is an intergenerational commitment. By maintaining the current program, those of us who are working allow ourselves to be taxed at a fixed rate, and

to let the proceeds be transferred in a very progressive fashion. As I mentioned earlier, we let the proceeds be distributed to people who are eligible, based on virtue of meeting the test of age, disability, or survivorship of a person entitled to Social Security benefits.

If the American people don't understand that, we need to inform them—especially retirees. If people over the age of 65 believe that all they are getting back is a monthly check that is based upon what they contributed, this debate will reach a dead end. I have heard many, many elected politicians essentially pander to the audience and lead the audience to believe all they are getting back is what they paid in. They let them believe that it is their Social Security—they paid it into it all their lives. In reality, it is a tax on people who are working. That young woman who introduced the President had it half right. There is a 12.4 percent tax on wages, which is transferred to people who are eligible.

If anybody right now is struggling under the burden of Social Security, it is people who get paid by the hour, particularly low income people—people who earn their living as a consequence of their work and the wages paid to them. For example, in 1996, the median household income was $35,492. A family earning that amount and taking standard deductions and exemptions, paid $2,719 in federal income taxes, but lost $5,430 in income to the federal payroll tax. What we need to be doing is giving some of this payroll tax money back to these families so they can participate in the growth of the American economy—so that they can accumulate wealth for their retirements. Since 1983, the payroll tax has been higher than necessary to pay current benefits.

I come to the floor today to praise Senator GREGG and Senator BREAUX for their proposal, for their courage, in introducing this piece of Social Security reform legislation. Most importantly, I come to the floor to urge President Clinton and to urge Vice President GORE, when they are having these discussions, to describe this program honesty. Describe it as it is. Don't allow individuals, especially people over the age of 65, to presume that all they are getting is a monthly check that represents what they paid in over the course of their working lives. It is a tax, transferred in a progressive fashion, to people who are eligible.

Furthermore, don't allow the notion to lie on the table that the age of 65 is a retirement age. It is not a retirement age—people can retire at any age they choose. Sixty-five is an eligibility age. There is an early eligibility. There is a normal eligibility. There is a late eligibility.

One of the most frustrating things that I suspect Senator GREGG and Senator BREAUX face, is people saying, ''Senator, you are trying to move the retirement age.'' It is eligibility, not retirement. There are many people who retire early, they retire later, and as a consequence their benefit levels will be adjusted. They understand these adjustments, and as a consequence they make choices based on it.

I hope this debate will continue, but unless it continues in an honest fashion, with the program being understood for what it is, it will hit a dead end. This is a very easy program to demagogue. It is a very easy program to misrepresent. There is a large percentage of people who do not understand what this program is. Unless we increase the number of people who do understand what the program is and decrease the percentage of people who misunderstand it, it is likely this entire year's discussion will lead to nothing more than political warfare with people misrepresenting the program in order to achieve political advantage.

I yield the floor.

Mr. D'AMATO. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. D'AMATO. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

SLOBODAN MILOSEVIC IS A CRIMINAL

Mr. D'AMATO. Madam President, for too long now, the world has been watching a terrible carnage take place with the changing of the former Yugoslavia, with the various factions fighting for autonomy, with the deterioration of respect for human life being so obvious, that we almost take it as a matter of fact when people are massacred, and we hear that the atrocities reach incredible levels.

It becomes commonplace to hear of tens of thousands of people who can no longer live in their homes. Indeed, estimates are that 3 million people have been forced to move. They call it ''ethnic cleansing.'' Despite the best attempts by the United States and some of our allies, we have been unable to bring about some resolve. Tens of thousands of U.S. and NATO troops are now positioned in Bosnia to attempt to keep the conflict from again affecting the lives of the innocent—women and children, people who are held hostage, people who are abducted, women who are raped, young men who are killed because of their ethnic background. It is incredible. Muslims are killed because they are Muslims. Croats are killed because they are Croats. Serbs are killed because they are Serbs. The madness that exists in this day and age is incomprehensible.

Madam President, the situation is not getting better. The situation is deteriorating. And behind it all, the motivator, the prime mover in all of this, is one man. That doesn't mean that there aren't others who are responsible on all of the sides for having had their people undertake horrific acts against humanity. But there is one person—a hard-core Communist dictator who has been able to keep power by way of appealing to the worst prejudices of people—by the name of Slobodan Milosevic. He would like to think of himself as a duly-elected President. He is the last surviving Communist leader still in power from before the wall fell. Make no mistake about it, although he may call himself a President, but he is a criminal, he is a thug, and he has been responsible for the deaths of tens of thousands of people, including his own people. This is the man, the thug, the killer.

Indeed, the resolution that I, Senator LIEBERMAN, and a number of our colleagues, including the present Presiding Officer, have worked on is one that deals with this thug. It is one that will call for the United States and others to gather the factual information necessary to pursue a trial in the international courts that have been established just for that purpose. Indeed, the United Nations Security Council, in 1993, created the International Criminal Tribunal with the former Yugoslavia located in the Hague. The tribunal has already publicly indicted 60 people for war crimes or crimes against humanity. It is horrific.

Even at this time, today, in the New York Times, we read an account of what is taking place.

I ask unanimous consent that the full text of this article be printed in the RECORD.

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

SERB FORCES SAID TO ABDUCT AND KILL CIVILIANS IN KOSOVO

(By Chris Hedges)

DECANI, SERBIA.—Serbian forces have been turning increasingly to the abduction and execution of small groups of civilians in their fight against ethnic Albanian separatists in Kosovo, according to human rights officials and witnesses.

Many of the executions took place moments after Serbian special police units concluded attacks on villages held by the Kosovo Liberation Army rebels, witnesses said.

''The number of disappearances are increasing each month,'' said Behxhet Shala, secretary of the ethnic Albanian Council for Human Rights. ''There is a mathematical logic to all this. As the Kosovo Liberation Army kills more police, the police go out and hunt down civilians who live in the areas where the attacks take place. These are reprisal killings.''

Some 300 ethnic Albanians are listed by human rights officials as missing since March, when the conflict intensified between the rebels and the 50,000 or so Serbian soldiers and policemen deployed here. Some of them may have fled to Albania or Montenegro and others may be living with relatives elsewhere in Kosovo. But some were seen by witnesses being led away by special police units, never to reappear.

As the war progresses, and as the rebels, who themselves have abducted at least 30 Serbs, increasingly make Serbian civilians their target, the fear is growing that the

fighting could spiral into the kind of war against civilians that swept across Bosnia.

Visits to six of the sites where kidnappings and executions by Serbian forces are said to have taken place yielded accounts by witnesses and a look at the bodies of some of the victims. But the precise number of those executed is difficult to determine.

Based on the accounts of witnesses from each area, it appears that a total of about 100 ethnic Albanians, most of them men of fighting age, have been rounded up and shot, usually in groups of fewer than a dozen, in the last five months.

One man, Ndue Biblekaj, said he witnessed abductions and executions by members of the notorious Serbian, ''black hat'' unit, which was employed in Bosnia to kill Muslims and Croats and expel them from their homes.

''There were massacres in the village of Drenoc and Vokshit near Decani,'' he said in an interview in rebel-held territory. ''I saw a black hat unit line up 13 civilians and shoot them. They stripped the bodies of their clothes, slashed the arms and legs with their knives and dug out their eyes. They used an excavator to dig a pit and bury the bodies.''

''I will never forget this sight,'' he said. ''There were other executions that included women, children and the elderly. You could see the bodies, including one group of 15 people, lined up by the side of road.''

The detained men were often marched in single file by the black-uniformed Interior Ministry commando unit to the local water treatment plant, which was used as a command center, he said.

Biblekaj, an ethnic Albanian, served for eight years in the police force in the border village of Junik. He was part of the Serbian force that recaptured Decani from the rebels in June. The Serbs shelled the town reducing whole sections to rubble. They sent in tanks and armored personnel carriers, blasting holes in the walls of houses and driving nearly the entire population over the mountains into Albania.

Decani is now abandoned, and the Serbian police, who crouch behind sandbagged positions in the ruins, come under frequent fire from rebel units.

Biblekaj has deserted the police to join the rebel movement. He changed sides after the attack on Decani, because, he said, he was appalled by the killing there.

Repeated attempts to inspect two sites suspected of being mass graves in a wooded area near the deserted and badly damaged town, still the scene of frequent armed clashes, were thwarted by special commando police units.

The governor of Kosovo, Veljko Odalovic, a Serb in a province that is 90 percent ethnic Albanian, denied that the police had executed anyone. Serbian officials, as a matter of policy, refuse to disclose the names or location of those taken into custody.

Not every ethnic Albanian who is picked up by the police disappears permanently, but the fear of being seized has become common in these villages. Many are those picked up return after a few days, complaining of beatings and other ill treatment at the hands of the police.

According to witnesses, the largest number of killings occurred in the villages of Likosane and Cirez at the end of February, in the village of Prekaz in the first week of March, in the village of Poklek at the start of May, in Ljubenic at the end of May and in Decani in June.

On May 30, special police units entered Poklek and ordered most of the residents into a house owned by Shait Qorri.

Fazli Berisha, who was outside the village hiding behind a wall, said he saw 60 or 70 women and children ordered out of the house as Serbian forces burned neighboring homes. The women were told to walk across a field to Vasiljevo, a neighboring village, he said.

''Hajirz Hajdini and Mahmut Berisha were brought out moments later and told to walk in the opposite direction,'' he said, referring to two men. ''As they walked away they were shot by the police. Sefer Qorri, 10 minutes later, was brought out of the house and told to walk in this direction. He was shot in about the same spot.''

The villagers said they later found the body of Ardian Deliu, a 17-year-old youth, near Vasileva, about two miles away, but they said nine men remain missing.

On June 8, Fred Abrahams, a researcher at Human Rights Watch, spoke with Zahrije Podrimcaku, who witnessed the attack on Poklek. An hour after speaking with Abrahams, who is compiling a report on human rights violations, she was arrested by Serbian police officers in Pristina, the provincial capital. She was charged a week later with involvement in terrorist activity. She remains in jail.

Poklek is part of the silent no man's land that lies between the Serbs and the rebels, who control about 40 percent of the province. Broken glass litters the main street. The deserted stucco homes and small shops have been looted, with household items strewn over yards and left in broken heaps. A pack of mangy dogs snarl from behind the blackened shell of a house, and the stench of a dead farm animal rises from an untended hayfield.

Down the road in the town of Glogovac the residents seem to move in fear down the dirt streets, which are periodically the targets of Serbian snipers. A farmer, Ali Dibrani, 54, was shot dead recently as he walked home at dusk with his niece.

The Serbian authorities, who have issued a written order to block food and commercial goods to all but state-run shops in Kosovo, have effectively cut supplies to Glogovac and nearby rebel-held areas. The shortages have left people bartering for liter-size plastic bottles filled with gas. The clinic has run out of medicine, and processed food, like cooking oil, is scarce.

Here, too, abductions have left their mark. Dr. Hafir Shala, 49, an ethnic Albanian who worked in a clinic run by Mother Teresa's Sisters of Charity mission in Glogovac, was seized by the Serbian police on April 10.

Shala, who was jailed for four years for separatist activity during Yugoslavia's period of Communist rule, was pulled from a car at a police checkpoint on the road to Pristina and put in a black jeep with three plainclothes police officers. One officer got into a gray Volkswagen Passat with two of Shala's companions. The two vehicles were driven to the central police station in Pristina.

''The three of us were taken to separate rooms on the third floor,'' said Shaban Neziri, 49, who was traveling with the doctor, as he sat in the remains of an unfinished house in the village. ''I was interrogated for six hours and then told I could leave. When I was escorted out of the room and down the hall I heard horrible screaming. It was Dr. Shala. I stopped. I asked the policeman what was happening to Dr. Shala. He pushed me forward, saying, 'Go, go, go.' ''

The doctor never returned. His father, Isuf Shala, 63, went to the police headquarters the next day, but was turned away at the door.

''I saw the police after a few days and they said Hafir was not on the list of prisoners,'' he said, seated cross-legged in his home. ''They said he had never been in police custody. The police said maybe our soldiers had taken him, perhaps I should check with them.''

Mr. D'AMATO. Let me read a little excerpt:

Serbian forces have been turning increasingly to the abduction and execution of small groups of civilians in their fight against ethnic Albanian separatists in Kosovo, according to human rights officials and witnesses.

The article goes on to interview a man by the name of Ndue Biblekaj. Biblekaj was a member of the police force for 8 years, and he eventually left in disgust after having witnessed the kinds of things that he describes. He says he has witnessed the abductions and executions by members of the Serbian ''black hat'' unit, which was employed in Bosnia to kill Muslims and Croats and expel them from their homes.

Imagine, they have an official unit, and their job is to get rid of—and that is the ethnic cleansing—anyone who is different, like the Muslims and Croats. He said, ''I saw black hat units line up 13 civilians and shoot them. They stripped the bodies of their clothes, slashed the arms and legs with their knives and dug out their eyes.

''I will never forget this sight,'' he said. ''There were other executions that included women, children and the elderly. You could see the bodies, including one group of 15 people, lined up by the side of road.''

Biblekaj has deserted the police to join the rebel movement. He changed sides after the attack on Decani, because, he said, he was appalled by the killing there.

That is just one man who was so repulsed at what he saw that he had to do something. He joined the rebel movement.

This is a killing field once again. This is a killing field that unfortunately has been directed by Milosevic to empower himself. That is why this resolution, which is bipartisan and has the support of the chairman of the Foreign Relations Committee, Senator HELMS, and the ranking member, Senator BIDEN, and people from both sides of the aisle, is so important. It is a resolution that will send a clear and convincing signal to the entire world that the United States is sick and tired of the way the world treats war criminals and that the world community can no longer sit by idly while the Milosevic killing machine continues. Yes. Even this day as we are here that killing machine continues. And so tens of thousands of people are on the move, fleeing their homes, and fleeing the villages where they grew up and their forefathers—fleeing because of their ethnic background, and the military forces who are bound to destroy them.

Madam President, I want to commend all of my colleagues who have worked, along with Senator LIEBERMAN and I, in bringing this resolution forward, because the United States should be publicly declaring that there is no reason to continue this without seeking the collection of evidence and making it high priority—evidence that the United States already possesses—to make this evidence available to the tribunal, to that court, as soon as possible. The United States has the ability

to do this, and we should discuss with our allies and other States the gathering of this evidence so that Mr. Milosevic can be indicted. And I am certain, given the numerous accounts by historical experts—one of the leading accounts on this is entitled, ''War Crimes and the Issues of Responsibility,'' which was prepared by Norman Cigar and Paul Williams. It is an outstanding study of what is taking place, and the inescapable conclusion that Milosevic can and should be tried as a war criminal.

I ask unanimous consent to have excerpts from this report printed in the RECORD.

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

WAR CRIMES AND THE ISSUE OF RESPONSIBILITY: THE CASE OF SLOBODAN MILOSEVIC

(Prepared by Norman Cigar and Paul Williams)

CONCLUSION

The above review of information available in the public domain indicates that there is sufficient evidence to establish a prima facie case that Slobodan Milosevic is criminally responsible for the commission of war crimes in Croatia and Bosnia. Specifically, a compelling case may be made that Slobodan Milosevic is liable for:

Complicity in the commission of genocide.

Aiding and abetting, and in some instances directing, the commission of war crimes by Serbian paramilitary agents.

Directing Republic of Serbia forces and agencies to aid and abet the commission of war crimes by Serbian paramilitary agents.

Command responsibility for war crimes committed by Federal forces, including the Yugoslav People's Army (JNA) and the Army of Yugoslavia (VJ), and for aiding and abetting the commission of war crimes by the Bosnian Serb Army (BSA).

Command responsibility for war crimes committed by the Republic of Serbia forces, in particular forces under the control of the Serbian Ministry of Defense and Ministry of Internal Affairs, which aided and abetted the commission of war crimes by Serbian paramilitary agents.

Command responsibility for war crimes committed by Serbian paramilitary agents such as Arkan's Tigers, Vojislav Seselj's Chetniks, Mirko Jovic's White Eagles, and others.

ABOUT THE AUTHORS

Norman Cigar is Professor of National Security Studies at the United States Marine Corps School of Advanced Warfighting, Quantico, Virginia. Previously, he was a senior political-military analyst in the Pentagon, where he worked on the Army Staff. He holds a D. Phil. from Oxford. The views expressed here are those of the author and do not reflect the official policy or position of the Department of Defense, the United States Government, the United States Marine Corps, or the Marine Corps University.

Paul Williams is the Executive Director of the Public International Law and Policy Group, and a Fulbright Research Scholar at the University of Cambridge. Mr. Williams holds a J.D. from Stanford Law School, and previously served as an Attorney-Adviser in the Office of the Legal Adviser for European and Canadian Affairs at the United States Department of State. The views expressed here are those of the author and do not reflect the official policy or position of the Public International Law and Policy Group or the United States Government. The Public International Law and Policy Group is a non-profit organization formed for the purpose of providing public international legal assistance to developing states and states in transition.

Mr. D'AMATO. Madam President, I would like to speak to this issue as we go forward. But I see that there is a colleague who has been waiting patiently. We are waiting for one of our Senate colleagues to also join us before I formally call up the amendment that I have described to you.

At this time, I yield the floor so that my colleague, if he wants, can proceed, and I ask that I might be permitted to take the floor thereafter.

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

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

INTERNET PORNOGRAPHY

Mr. COATS. Madam President, shortly I hope, before the Senate adjourns for the weekend, the majority leader will be propounding some unanimous consent requests. Those requests are designed to set in place the procedures by which we will move forward next week and the legislation which we will take up.

One of those unanimous consent requests will involve two pieces of legislation, one which I have offered, and the second which has been offered by the Senator from Arizona, Senator MCCAIN, which deals with the question of pornography on the Internet.

There is a history to this. In the last Congress, Senator Exon and I cosponsored legislation which introduced our colleagues for the first time to the dark side of the Internet; that side of the Internet that is not used for educational purposes, is not used for valid communication purposes, but which is designed to lure people into the practice of ordering and paying for pornographic images, words, and films, and other forms of pornography across the Internet. We know our first amendment prohibits our eliminating that and banning it. The right of free speech gives the right of adults to click into that, pay for that, subscribe to that, and to order that as long as that material is not deemed obscene. Even though it is indecent, and many of us would classify it as obscene, it has to be a standard set by the Supreme Court in upholding the first amendment. It is one of the perhaps dark sides of the first amendment.

But we all understand that battle. And that is not what this battle is about. This battle is about protecting children from access to that material, which most of us would turn our heads from, or say that is enough, were we given the opportunity to look at it. In fact, all of the noble first amendment arguments that were raised during the debate in the last Congress against the bill that was offered by Senator Exon and myself melted away as Senator Exon invited Members into the Democrat cloakroom, both Republicans and Democrats, to view images that were copied from the Internet, and said, ''Did you realize this material is simply a click away on your Internet?'' At that time, the Internet was pretty new. People were still discovering it. Most of us had not even signed up, or even knew what it was.

Members were shocked at what they saw, because what they saw was not the centerfold of Playboy Magazine. But what they saw was some of the most despicable, some of the most brutal, some of the most sadistic, some of the most sexually explicit material they have ever witnessed—young children being sexually exploited, bestiality, women being sexually exploited. I don't want to go into graphic detail here. But it was enough to convince the Senate that we ought to move on it and move on it right away.

So it passed, despite again the pleas for first amendment freedom. That legislation, authored by Senator Exon and myself, passed the U.S. Senate by a vote of 84 to 16. It was adopted by the House in exactly the Senate form, went to the President, the President signed it, signed it with a fair amount of publicity about the need to take action on this to protect minors, to protect children from this access.

We had a standard in there—an indecency standard that was copied in the exact language that the Supreme Court approved for the dial-a-porn bill that went through and survived the Supreme Court review, and was declared constitutional even though actions were filed against it.

We thought that since the Court approved it for telephone pornography, surely they would approve it for video pornography and pornography that came across the Internet. Picking up the phone is not a whole lot different than turning on the computer. Both are invasive. Both come into the home. Do they require some action on the part of the participant? Yes. You have to pick up the phone when it rings. You have to dial a 900 number. There is the luring of that.

Again, we are saying that first amendment prohibits us from prohibiting adults from doing that. But the Court has upheld in the past, and they did in the dial-a-porn case, reasonable restrictions in terms of children having to prove that they were adults. And, if they couldn't prove that through verification of a credit card, or other means, then the material was not allowed to be passed on to them.

The Court said the computer is not the same as the telephone. The computer isn't as invasive as the telephone. Well, the Court needs to understand the computer. I wrote that off to a generational problem—a generation of individuals. Maybe I oversimplify this. But I do not know how to better explain it, because it is the only possible explanation I could come up with as to why the Court made a distinction

between a dial-a-porn standard and the computer standard. I don't think they understood exactly what the computer does and how accessible it is and what the Internet was, at least at that time. I think they know now. Maybe I underestimate the Court. Maybe there are other reasons.

In any event, as we know now, whether you are in the classroom, whether you are in the school library, whether you are in your study hall, or whether you are in your dorm room in boarding school, or whether you are at home in your bedroom, or your den, or your family room, the computer is there, and a click away is the most lurid material we have ever seen available to children and adults, simply with the warning you have to be an adult to access this material and that is it. You click here if you agree, and we send you the material.

I am going to describe as we get into the bill some of the effects this has had on our culture, on our society, and particularly on our children. My purpose here today is to plead with my Democrat colleagues to allow us to bring this bill to the floor. We have revised the bill that the Supreme Court struck down to comply with their objections, to address the question of the standard which we have changed from the indecency standard to the harmful-to-minor standard. The harmful-to-minor standard was the standard the Court laid out in the Ginsberg case, and we have taken that word for word.

Second, we have restricted this, as the Court ordered that we had to do in order to meet the constitutional test, to the World Wide Web, to the commercial selling and display of these images, rather than private conversations, e-mail, chat rooms where individuals are engaging in this kind of activity.

That is not how I wanted to draft the bill, but in order to get a court to uphold what is clearly the will of the American people as expressed by their representatives in an overwhelming vote in the Senate and unanimous acceptance in the House of Representatives and declarations by the President of the United States that the administration stands foursquare behind this, we find ourselves back here having to narrow the bill in order to survive court muster.

That is what we have done. We have worked with constitutional experts to make sure that we have done it correctly, that we comply with the Court, and we want to give them another chance. We want to give them another chance, hopefully with a better understanding of the impact of the Internet, both positive and negative. And as I said, there is a dark side to the Internet, particularly as it relates to children, and we are trying to address that.

Now, for several months I have been searching for ways to bring this legislation to the floor. It was introduced and referred to the Commerce Committee. It was debated there and passed out of that committee on a 19 to 1 vote.

Some had said, look, the solution to this problem is the software packages that are being developed by the industry that parents can buy and attach to their computer or integrate into their computer and that will solve the problem and block the images.

That is a partial solution to the problem but not a complete solution to the problem because the changing technology, the proliferation of web sites is so fast that no software can keep up with it. The ingenuity of the pornographers, the sellers of pornography is such that even the most innocent of words are now linked to a means by which pornography is pulled up. If you want to find out about Disney World or Disney movies or Disney characters, the pornographers have found a way to use the term ''Disney'' and click right into pornography. If you want to look up Boy Scouts, horses, dogs, cats, women, men, marriage, you name it, seemingly the most innocent of words, you are now linked directly to pornography. Why? Because the pornographers have discovered that this software is attempting to block the explicit language and they want to try to find a way in which to commercially entice people who are searching in other areas to be presented with this information so they can click into it.

So what happened there, then, was Senator MCCAIN's software bill and my Internet pornography bill were both passed out of committee. Senator MCCAIN and I agreed that both are necessary to address the problem and that we would agree to go forward with these together. In recognition of the work that needed to be done in the Senate, we wanted to pursue a process by which we would agree to a time limit. We would agree to others offering any amendments that they thought appropriate. We would debate those, have a vote on those, let Congress express its will and go forward.

This was not an attempt to tie up the Senate. In fact, we have been overly cooperative. I wish we had not been so cooperative. We were promised this would come forward. In defense of the majority leader, I think he has made a good-faith effort to try to bring this forward. But in each instance other circumstances have arisen, primarily the inability to get the consent of some Members of this body to allow us to proceed with this bill, debate it, amend it, vote on it, and either send it on or vote it down, whatever was the majority disposition. That is what we have been attempting to do.

We are frustrated—I am frustrated; I am terribly frustrated—in our inability to take something that I think has overwhelming support to at least bring it up and talk about it. It seems that every time we get ready to go forward with a unanimous consent request to bring the bill up, we are notified that someone has put a hold on the bill. We find out who that is. We go over and talk to them. We offer them—they say, well, we want to offer an amendment on it. Fine. We will add your amendment to the unanimous consent agreement. Take whatever time you want on it. We will lock in an amount of time. We will give you a vote. We will eliminate second degrees. We do not want to do anything to cause you not to have an up-or-down debate on your amendment. That person agrees.

We go back to the majority leader and say we are all clear; we are ready to go. Whoops, here comes another hold. Somebody else has a problem. We solve that. Now it is a problem on the McCain bill. The next one is a problem on the Coats bill. We solve both of those. The next one is a problem on the McCain bill. We solve that. We think we are ready to go. Whoops, another problem on the Coats bill.

We are running around putting out fires, and we start to wonder if we don't have some kind of rolling hold process going on here where there has been a decision to block this legislation from coming forward, and we just simply pass on the baton of objection to different people who say; ''Time is on our side. If we delay long enough, we will get into the appropriations process and we will block this and we will get through the year and we won't have had to deal with it.''

I don't want to ascribe that motive to the other side, and that is why I am making this statement today because I just want to offer to my Democrat colleagues: if you have a problem with this bill, offer your amendment. I am not here to block your amendment. I am not here to block debate on your amendment. I am not here to block a vote on your amendment. I am not here to modify your amendment. I am here to simply say let's discuss the issue, debate it, vote on it, and move on.

We have spent 4 weeks on the tobacco bill, and I understand, that was an important issue and that blocked a lot of other legislation. I understand that we have appropriations bills backed up, and we need to move forward on those, which is why we are willing to do a limited time agreement on this. But we cannot move forward, and are going to be forced to have to offer this to appropriations bills in order to get the Senate to consider it—offer it as an amendment, unless we can get agreement to bring this up, debate it with a time certain and move on. I do not want to do that. I do not want to interfere with Senator STEVENS and the appropriators' efforts to do the business of the Congress that needs to be done. I understand things are backed up because of the tobacco bill. We heard a lot of great speeches in that tobacco bill about first amendment rights needing to be waived, why the first amendment did not apply as it involved advertising on tobacco.

But we are not getting that same kind of flexibility and understanding from some of our colleagues as it applies to pornography. I think I would challenge those Members who think

the first amendment is sacrosanct, that we cannot move forward with this, to ask themselves the question: Why is it OK to waive first amendment rights and not apply the first amendment to those commercial entities who are using the symbol of Joe Camel because that is so destructive to the health and welfare of our children, but when it comes to bestiality, when it comes to some of the worst forms of pornography that is wide open on the worldwide web and available to our children with the click of a mouse, that, oh, no, the first amendment must apply here? We have to be purists on this?

I ask my colleagues to ask themselves as parents, and ask the parents they represent in their States, what those parents think is the higher priority issue. If they are given the choice, are they more worried about their children modifying their behavior and taking up smoking because they see a 5-second image of Joe Camel? Or, are they more worried about their children modifying their behavior and responding in a way because they have been able to view some of the most crass, indecent, and, in my opinion, obscene sexual images that we have ever seen? I think the resounding response is going to be: Senator, let's do first things first; let's address the problems that are real problems.

So I conclude by pleading with my colleagues to let us resolve whatever problems you have with our going forward with this. We have been trying to do this. We have hotlined this 2 weeks ago. Both sides know what we are trying to do. If people have a problem, we will resolve that problem. But I hope there will not be an objection to going forward with that today when the majority leader propounds his unanimous consent request to allow us to go forward with this bill.

If there is an objection—after 2 weeks of hotlines, after 2 weeks of going to Members saying, ''If you want an amendment, have an amendment, but at least allow us to debate the bill''—I can only conclude there is some effort here to prevent us from even talking about it, even bringing the bill up. We have an opportunity to avoid all that today very shortly when that unanimous consent request is propounded. I trust we will be able to do that.

I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Utah.

ORDER OF PROCEDURE

Mr. BENNETT. Mr. President, it was my intention at this point to propound the unanimous consent request that the Senate proceed to S. 2137, with a list of the amendments to be in order. At the moment, full agreement on this has not yet been worked out between the majority and minority and negotiations are still going on to that end. It is my hope I will be able to offer such a unanimous consent request at sometime in the future.

Looking forward to that time later today when we can get unanimous consent on proceeding to the bill, I would like to outline for the Senate the highlights of the bill. Then I understand there are some others who might wish to speak on the amendments that they would offer to the bill if we were, indeed, on it, and thereby have some of the discussion that we could deal with prior to the bill.

MORNING BUSINESS

Mr. BENNETT. Mr. President, I ask unanimous consent that we now go into a period of morning business, with Senators allowed to speak up to 10 minutes each.

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

Mr. BENNETT. I further ask unanimous consent that I be allowed to exceed the 10-minute period in the discussion of the legislative branch bill that will be propounded at some point, if, indeed, my time goes beyond that.

The PRESIDING OFFICER. Is there objection?

Mr. BROWNBACK. Mr. President, reserving the right to object, I ask unanimous consent I be allowed to exceed the 10 minutes speaking as well.

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

LEGISLATIVE BRANCH APPROPRIATIONS

Mr. BENNETT. Mr. President, as I said, I was planning to ask unanimous consent that we proceed to S. 2137 and outline a series of amendments that would be in order. We are still working on that agreement between the majority leader and the minority leader who, I understand, are talking on this issue right now.

When we do go to that appropriations bill, I will make a point of thanking Senator DORGAN for his assistance as the ranking member. Since I have been chairman of the Legislative Branch Subcommittee and he has been my ranking member, we have not had, in my memory, a single point of major disagreement. Senator DORGAN has been more than diligent in attending all of the meetings of the subcommittee. His staff has been very cooperative with the majority staff in working out the difficulties, and I think it has been the kind of legislative relationship that I looked forward to, when I ran for the Senate, between members of the different parties.

The legislative branch bill will provide $1,585,021,425 in new budget authority, exclusive of the House items for fiscal year 1999. Comity between the two Houses allows the House to set its amount and the Senate to set its amount, without difficulty from each other. This is a $53,704,925 increase, or 3.5 percent above the fiscal year 1998 level. But it is $72,359,575 below the amount included in the President's budget. The majority of the increases in the bill are for cost-of-living adjustments, estimated at 3.1 percent.

The Senate portion of the bill includes a 1.8 percent increase over the fiscal year 1998 funding, which I think demonstrates some fiscal responsibility on our part. The Library of Congress and the GAO were provided funds for additional FTEs to assist the Congress in the information technology area, particularly addressing the year 2000 computer problem.

The Presiding Officer and others in the Chamber know I have made this something of an obsession. The Senate has created a special committee on the year 2000 technology problem, which I chair. We recognize that most of the expertise to provide the committee with the guidance that it needs will come from detailees to the special committee and from those experts in the Library of Congress and the GAO who already have a background in this area. So, to make sure the year 2000 problem is not exacerbated by lack of funds, these additional FTEs were included in this bill. That is part of the 3.5 percent increase over last year's level.

Approximately 21 percent of the Architect's budget is for capital projects; the balance, of course, of 79 percent is for the operating statement.

These are the outlines of the overall bill. As far as I know, and Senator DORGAN knows, the bill is noncontroversial except for those amendments that some Senators have indicated they would be willing to offer.

With that background of the bill that we have in mind, I yield the floor. I understand Senator BROWNBACK will be talking about some of the amendments that he would offer once the bill does come before us, and we can proceed then in morning business with that matrix. I see the Senator from Kentucky. I will be happy to yield.

Mr. FORD. Mr. President, may I ask Senator BROWNBACK how long he thinks he will take? We have some Senators with time problems, and I want to try to accommodate them. If I know how long he will be speaking, and others, I can probably accommodate them.

Mr. BROWNBACK. I don't know for certain who all will be interested in speaking on this.

Mr. FORD. You are asking for more than 10 minutes. I am wondering how long.

Mr. BROWNBACK. Probably around 30 minutes.

Mr. FORD. Will the Senator be willing to say no longer than 30 minutes?

Mr. BROWNBACK. Not at this point in time, but I think that will probably——

Mr. FORD. If that is the way we are going then, no one else will get more than 10 minutes.

Mr. BENNETT. I yield the floor.

The PRESIDING OFFICER (Mr. SMITH of New Hampshire). The Senator from Kansas is recognized under the previous order.

MARRIAGE PENALTY TAX

Mr. BROWNBACK. Thank you, Mr. President. I appreciate the Senator from Utah taking the time to explain what we are hoping to go to next, the legislative branch appropriations bill. I hope we can discuss as a part of that legislative branch appropriations bill something that affects 21 million American families and it increases their taxes an average of $1,400 per family. It was done to them in 1969, the last year that we balanced the budget, until this year, and we have the ability to deal with it now. That is a thing called the marriage penalty, the marriage penalty tax.

I don't know how much of the American public is aware of this tax, but in 1969, there was placed a tax, actually a change in the Tax Code to a point that married couples were taxed more for being married than if they were single. It amounts, on average, to $1,400 per family. It affects around 21 million American families, and it is wrong.

It is the wrong kind of tax. It is the wrong kind of notion. It is telling people, in the Tax Code, that we are going to penalize you for being married. This is a wrong idea when we are struggling so much in America today with the maintenance of families, with trying to keep families together, when we are trying to say that the foundational units of a civil society is the American family, and then we are saying, ''Well, yeah, but we're going to tax you.'' We send by that signal that we think less of married families.

It is time that we go back and do what we did prior to 1969, and that is not tax married couples more than if they were just single people living together. We were, up until 1969, operating that way, and then in that year, in an attempt to get more revenues into the Federal Government, we put this tax in place, taxing married couples. It is wrong. It is the wrong idea. It is the wrong signal.

It is something that we have the ability to deal with now. The Congressional Budget Office this week stated that over the next 5 years, we will have $520 billion in surpluses over the next 5 years—$520 billion in surpluses over the next 5 years, a half a trillion dollars. I just say to my colleagues, my goodness, if we have that resource there, we have families struggling so much, if the foundational unit of a civil society is the family and we are taxing that family more, let's give them a little break.

This is the right vehicle on which to do it. We are talking about funding the legislative shop here, let's help fund the families a little bit. We have the ability to do it, and it will send the right signal. It will send a good signal. It is the time we can send a signal, and we ought to do it, and we ought to do it now.

That is what we were hoping to propose on the legislative branch appropriations bill, to deal with the elimination of the marriage tax penalty for the working families. This hits mostly families between a combined income of $20,000 per year to $75,000 per year. That is the category of families that is hit by this marriage tax penalty.

The amendment that I was going to propose and was sponsored by Senator ASHCROFT and a number of others—Senator INHOFE, Senator SMITH, and I think a lot of my colleagues would join on this amendment—the amendment I was going to put forward does a very simple thing: It just makes the standard deduction the same for married couples as it is for singles.

I don't know how many people recognize this, but currently, if you file single, under the Tax Code, the standard deduction is $4,150, while the marriage standard deduction is only $6,900. Our amendment would simply raise the standard deduction for all married couples to $8,300, precisely double what it currently is for single people, so you don't have this penalty built into the system, so you don't have this signal to the American public that we devalue this institution of marriage. In 1969, and prior to that period of time, we said you get the same if you are married, and then after 1969, we said you don't.

I guess there were a number of reasons this was put into effect in 1969. People were saying, ''Well, if you are single versus if you are a couple, you have living expenses that are a little less.'' If there are two singles versus two people living together in the same place—there are a number, I suppose, of different reasons, but I guess actually at the end of the day, the reason was to get more tax money out of people's pockets. It was done then, and now we are saying let's correct this wrong.

When you ask the American public about this issue—and I raise it quite a bit with people—they think this is a ridiculous tax. We shouldn't be taxing couples more than we tax singles who live together. It just sends a signal that this is not the sort of thing we want to take place today, particularly when you look at what happens to our families across America.

I don't think I need to remind many people about the problems we are having with marriage and with families in this country today. We are having at any one time nearly 50 percent of our children living in a single-headed household, and many of these families struggling heroically to raise a family, but yet we are sending a signal against the family at the same time we do that.

We are also sending it to some of the hardest hit families who struggle the most in the economy today. This tax applies heaviest to families with incomes of between $20,000 a year and $75,000 a year. This is a good bracket of folks we are taxing more heavily, and we shouldn't be taxing them more heavily at this point in time.

I direct my colleagues' attention to some of the reports that have been put out on this issue as well. The Congressional Budget Office did a report about a year ago on this particular issue. They state in their report:

> Federal income tax laws generally require that a married couple file a joint tax return based on the combined income of the husband and wife. As a result, husbands and wives with similar incomes usually incur a larger combined tax liability than they would if they could file individually.

This is the opening statement of the CBO.

I ask all of my colleagues, How many of you agree with that tax policy? That is something that the Congress put in place. How many people actually agree with that tax policy? I don't know that there would be anybody who would actually agree with that tax policy, yet it is in place and we have the time, we have the wherewithal, we have the vehicle here funding the legislative branch that we can do this and fund this now. I think it is appropriate that we should do that and take care of something that in 1969—relatively recently—was put in place.

I draw my colleagues' attention to some editorials that have been written on this particular subject. The Indianapolis Star talks about the marriage penalty and that this is something from which we should get away. They have even a pretty nice cartoon about a couple and a car who are just married, and they are hooked to this big anchor, a marriage tax penalty, pulling them back the other way.

Is that the sort of signal we want to send from Congress toward the institution of marriage? I don't think it is.

The Christian Science Monitor: ''Bid to Make Tax Policy Friendlier to Marriage.'' They are saying, ''Look, this is something we ought to do.''

We have a number of editorials where this was raised across the country.

We are just dealing with one aspect of this. In fact, according to the Joint Economic Committee, in a study on the marriage penalty, the Tax Code contains 66 provisions that can affect a married couple's tax liability. So it is a number of places. We are just getting at one particular feature of it which is that standard deduction. I think there are places we ought to look at overall in doing more in this area. That is the sort of thing that we want to take up—this ridiculous tax—that we want to put forward.

I am hopeful that, with the manager of the bill who has been agreeable to this, we can get the Democrat ranking member to agree that we could bring up this ridiculous tax, and that he would consent to us having a debate, a vote on this particular issue, so we can say to the American public, this is something that is pretty important, and we can do this now, particularly since the CBO said we have the wherewithal to get this done.

So I plead with my Democrat colleagues, let us bring this up. A marriage tax penalty is something important——

Mr. FORD. Will the Senator yield?

Mr. BROWNBACK. If I can regain the floor, yes.

Mr. FORD. We do have a marriage bonus that is now for the upper income. The marriage bonus, you know, is quite lucrative. I have a bill to eliminate the marriage penalty also. So I am basically agreeing with what you are trying to do. But when I started developing this, I found out we had a marriage bonus. If we eliminate the marriage bonus, eliminate the marriage penalty, we will come out with a surplus of about $4 billion over the next 5 years.

Is the Senator willing to do something along that line?

Mr. BROWNBACK. I am not interested in raising taxes at the point in time of the American public is——

Mr. FORD. We are not raising taxes.

Mr. BROWNBACK. It would be raising taxes on a certain group of people. If you are saying, let us do away with this particular bonus, I do not have any problem giving bonuses to people who are married. I think this is a good institution that we ought to be supporting. I am not interested in raising taxes on anybody, particularly people who are married.

I think that is not the way we ought to be going, particularly with the kind of money that we have flowing into the Treasury, and particularly with the American public being taxed at roughly 40 percent of their income annually. They are taxed to the max. And then we add on top of that—to working families—the marriage penalty. The tax repeal I am talking about applies to families that make a combined income between $20,000 a year and $75,000 a year. And that is the one that I want to pull off. And I hope that——

Mr. FORD. I understand where the Senator is coming from. I also agree because I have a similar bill. It is at the table. But it seems like, to me, that we want to be fair to everyone. If you are going to be fair to everyone, you ought to be paying about the same. The bonus is nice to have, I understand. But some are eligible over the $75,000 for a bonus. We ought to be trying to help those under $75,000. I think we could equalize the tax situation, do both of the things that you and I would like to do.

I thank the Senator for yielding.

Mr. BROWNBACK. I would be agreeable to my colleague bringing his bill up on this bill if it will allow us to bring this one up on this bill. I would be agreeable to him putting that forward. That would be fine with me. I will not be voting with you on it because I just am not interested in taxing marriages more. But I would——

Mr. FORD. Mr. President, I understand it is: ''My way or nothing.'' Probably what we get is nothing.

Mr. BROWNBACK. I am just saying, if you want to bring your bill up, I would be happy to see that particular one brought up on this vehicle, as well dealing with the institution of marriage, I think, is an important thing to be able to do.

My colleague from Missouri wanted to address this topic, too. I would be willing to yield to my colleague from Missouri if he desires to talk on this particular topic—or he may want to wait until another time.

I point out, we have support from a number of groups that are interested in this moving on forward.

Mr. ASHCROFT. Will the Senator from Kansas yield for a question?

The PRESIDING OFFICER. The Senator has a right to yield for a question.

Mr. BROWNBACK. Yes.

Mr. ASHCROFT. Would the Senator from Kansas agree that a marriage penalty not only would provide a disincentive for people to get married, but it might, as a matter of fact, provide an incentive for some people who are married to get a divorce?

Mr. BROWNBACK. It is strange, but actually if you look at our tax policy, people would be paid to be able to—if they do get a divorce and live separately, they would actually have more money coming to them and less going to the Federal Treasury, which is an extraordinary, ridiculous notion that is built into the Tax Code.

Mr. ASHCROFT. Is the Senator from Kansas aware of the fact that that has actually happened? There are a number of couples that decided to get a divorce so that in the eyes of the law they are divorced so that they could get this subsidy for divorce from the Federal Government?

Mr. BROWNBACK. I appreciate the question the Senator is asking. I am told also there is a married couple, they are economists at one of the universities in the country, who each year divorce at the end of the year and get married the next day. Then they have kind of a party with the money that they earned and keep by going through this process of divorcing on December 30, or 31 and marrying again on January 1st or 2nd. They have kind of a honeymoon each year off of this signal that they are able to read from the Federal Government. And the thing about it, I do not want to suggest that more people do that. I think that would be a wrong notion. But still it is——

Mr. ASHCROFT. Would the Senator agree our tax laws literally are suggesting that people get divorced and remarried and then fritter away or otherwise use the proceeds of this anomalous provision in the code?

Mr. BROWNBACK. That is actually what happens and takes place, which is—just think about it. That is the signal that we are sending to the American public, that they actually are encouraged to do something like this by the tax policy of the U.S. Congress? That is an incredible thing.

Mr. ASHCROFT. Would the Senator from Kansas agree that when the Senator from Kentucky talks about a bonus, he is talking about a situation where one of the two marriage partners is not employed outside the home; and really what the tax law does is allow, in some respect, part of the income to be assigned to that partner, some of the cost be assigned to that partner, and for that reason there is a theoretical bonus? But would the Senator agree it is important to understand that in marriage that there are a lot of respects in which it is appropriate that the ''nonemployed spouse'' be understood as having contributed substantially to the proceeds of the family that result from the employed spouse's earnings?

Mr. BROWNBACK. Absolutely. I could not agree more with the notion that there are things that ought to be taken into consideration here. And the notion of a bonus in marriages is not an accurate notion here. I was willing to let my colleague from Kentucky go ahead and raise his amendment on this particular bill, if he would desire to, if he would let us be able to put this amendment forward and have a discussion, if he wants to try to refute that sort of argument taking place. But I do not think that we should be in the business, even if there is such a thing as a bonus, of removing that on married couples.

Mr. ASHCROFT. Will the Senator yield for a further question?

Mr. BROWNBACK. Yes.

Mr. ASHCROFT. Now, this week the Congressional Budget Office has forecast a surplus over the next 5 years. And that surplus has really been growing dramatically. It started out about 4 or 5 months ago that they said it might be $140-some billion. Now they have taken the surplus projection to—how much over the next 5 years?

Mr. BROWNBACK. CBO has taken their budget projections now to $520 billion over the next 5 years, over half a trillion dollars in budget surplus.

Mr. ASHCROFT. So that is money that is supposed to be in excess of what we would otherwise budget?

Mr. BROWNBACK. That money is indexed as to what we would actually already have budgeted. I point out to my colleague from Missouri, not only is that in excess of it, but we found a way to cut the taxes while we were in deficit. Now we are running a surplus, and we are saying, Can't we find a little way here to be able to cut taxes on hard-working married couples in America?

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

Mr. ASHCROFT. I ask you—we have $520 billion in surplus—how much of the surplus would it take in order to eliminate the marriage penalty?

Mr. BROWNBACK. In order to be able to eliminate the marriage penalty, there are different ways people have configured and looked at this issue. The bill we are putting forward has a $151 billion price tag over 5 years. So you are not even talking about dealing with the entire surplus with this marriage tax penalty.

Mr. ASHCROFT. Less than one-third.

Mr. BROWNBACK. Less than one-third.

Out of every $5 surplus you have, $1.50 is going back to married families. Does that make any rational sense here, that we are getting $5 in and saying, OK, $1.50 is back. I think we ought to be doing far more. This ought to start the overall situation, but we are looking at least a start here.

This is the sort of thing we need to do. We need to move. You ought to see the groups supporting this. The National Taxpayers Union, with 300,000 members, strongly supports the Marriage Tax Elimination Act. The Marriage Tax Elimination Act would address that and dramatically widen the scope of tax relief.

This is a broad tax relief issue—21 million families, not just individuals, 21 million families, in America pay this tax penalty. Currently, laws force many married Americans to pay a higher tax bill than they would if they remained single and had the same combined income. Such a double standard is wholly at odds with the American ideal that taxes should not be a primary consideration in any individual's economic or social choices. I want to underline ''social choices'' because we have social problems in this country. We have social maladies in this country.

I held a forum with JOE LIEBERMAN last week about the overall issue of violence and teen violence taking place, and everyone there——

Mr. FORD. Will the Senator yield?

Mr. BROWNBACK. From the left, from the right—I want to go ahead and finish this point, if I could—from the left and from the right. We had a former Black Panther there, a former Clinton administration official saying the real problem we have here is we have a breakdown in the families taking place. We have too little density of responsible adults per children. We are saying send a signal that does not decrease the density of adults per child. I think that is a responsible social policy instead of a social choice here that is actually contrary to the issue.

Americans for Tax Reform support the Marriage Tax Elimination Act, offered in the House by Representatives WELLER! AND MCINTOSH. ''We believe that married working couples deserve the same treatment as singles.'' That is their statement.

Now, isn't that pretty clear? Now is the perfect time for action because the Congressional Budget Office is anticipating an earlier-than-expected fiscal surplus. This is Americans for Tax Reform saying that this is a good way to go. For many Americans, the average marriage tax is approximately equal in value to half a year of car payments. Half a year of car payments we are talking about. With an extra $1,400 a year, a couple might be able to send a child to the school of their choice. The bottom line is, according to the Americans for Tax Reform, a marriage tax is very real to many working couples in this country.

I ask people who are watching this, if you would look and figure up your own tax and see how many of you are paying a marriage tax penalty for being married.

Mr. BRYAN. Will the Senator yield?

Mr. BROWNBACK. If I can retain the floor.

Mr. BRYAN. The Senator from Nevada would like to inquire of the Senator from Kansas, the Senator from Nevada has a bill he would like to introduce. It would take 7 or 8 minutes. Is it possible to work out some kind of time arrangement to do so? The Senator from Nevada also has a flight at 12:45 he would like to make. I am prepared to enter into a unanimous consent if my colleagues agree the floor would be immediately reclaimed by the Senator from Kansas. I am not trying to cut him off, but I do have a time constraint that poses some limitations upon the Senator from Nevada.

Mr. BROWNBACK. Mr. President, I am happy, if I retain the floor after the 7 minutes or the 8 minutes, to yield with that understanding.

Mr. BRYAN. I will propound a unanimous consent, if that is agreeable.

I ask unanimous consent to be allowed to have 8 minutes with the understanding the floor would be retained by the Senator from Kansas.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

Without objection, it is so ordered.

The Senator from Nevada is recognized.

Mr. BRYAN. I thank the Senator from Kansas for his consideration.

(The remarks of Mr. BRYAN pertaining to the introduction of S. 2326 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BROWNBACK. Mr. President, I was glad to accommodate the Senator from Nevada. I have had similar situations come up. I understand the Senator from New York may have a similar time situation, and I would be willing to accommodate him, with a unanimous consent to obtain the floor after the Senator from New York is finished. He had previously been willing to yield the floor to some other individuals.

I ask unanimous consent to yield 10 minutes to the Senator from New York, with the understanding that I retain the floor after that 10 minutes.

Mr. DORGAN. Mr. President, reserving the right to object, let me inquire of the Senator from Kansas. I understand we are in morning business. I don't object and would not object to the Senator taking substantial time in morning business. As I understand it, we are allowed 10 minutes, but the Senator has, by unanimous consent, received permission to speak for as long as he chooses. Normally, in morning business when Senators want to speak, we can increase that time of 10 minutes.

In this circumstance, we were about prepared to go to the legislative branch appropriations bill. Senator BENNETT from Utah made an opening statement in morning business. I am the ranking member on that subcommittee and I was prepared to make an opening statement. I guess I would like to get some notion of how long the Senator from Kansas intends to retain the floor in morning business before I agree to other sets of circumstances, so I can try to gauge the time and understand what might transpire on the floor of the Senate. So reserving the right to object, I inquire of the Senator from Kansas as to what are his intentions.

Mr. BROWNBACK. I thank the Senator. As I understand it, negotiations are going on now as to whether or not we will be able to bring up this particular elimination of the marriage tax penalty. We are trying to get agreement with your side of the aisle on whether or not that would be allowed to be brought up in the legislative branch appropriations bill. That is my desire. If we get that worked out, I will be yielding rapidly so that you can go forward with your items. If that is not getting worked out, I am going to talk about this for awhile, because it is an important issue.

The Legislative Calendar is short. We have spent a lot of time talking about the tobacco settlement—a month. We have spent a lot of time talking about things that don't as directly affect the American family as the marriage tax penalty does, on 21 million American families. So I think it is time that we start talking about something that gets to North Dakota families and others directly. That is why I am willing to do this and to tie things up until we get moving forward on some of that.

Mr. DORGAN. Mr. President, the Senator from Kansas certainly has that right. In fact, when the bill is brought to the floor—the bill is not yet technically on the floor, the legislative appropriations bill—when the bill is brought to the floor, the Senator certainly has a right to offer any amendments. Nothing will prevent the Senator from his right to offer an amendment.

I guess the issue is whether the Senator can offer his amendment, but other people are prevented from offering theirs. Maybe it will be worked out, but my expectation is that it won't get worked out. You used the term ''tie up'' the floor. I would really prefer that you not do that in morning business. I prefer that you find a way to do that the minute the bill is on the floor, if you so choose. But tying up the floor in morning business simply inconveniences others who would like to do some work here.

I am sympathetic to the notion that there is a marriage penalty. I guess I am standing here, however, with the Senate in morning business, hoping that perhaps the Senator might allow the Senator from New York to proceed, and then allow me to proceed, and others who might want to proceed, and then it doesn't matter whether somebody talks until Sunday noon. I would

like, in the morning business segment, or perhaps the opening segment of the appropriations bill, to be able to dispatch that business and let whoever wants to talk, do it until they are exhausted.

You are speaking of a subject of some importance, I admit that. I am sympathetic to the issue you are raising. I hope that you perhaps would allow us to do the things we would like to do in preparation to get the bill to the floor.

Mr. BROWNBACK. Mr. President, retaining the floor, I am going to proceed on forward with a discussion of the marriage tax penalty. I withdraw my unanimous consent request if it is not going to be agreed to.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. BROWNBACK. I was proceeding earlier, before allowing the Senator from Nevada to speak before catching a plane.

A number of groups have taken notice of this issue of a marriage tax penalty and think that it is clearly time and it is important that we at this time address this particular issue.

The Independent Women's Forum has sent a letter urging Congress to ''put the Tax Code where its rhetoric is.''

I think that is a real interesting way they state that in the letter. ''We should put the Tax Code where the Congress' rhetoric is.'' We talk a lot about families, values, and virtues, and those sorts of institutions that make for a civil society. We talk endlessly about those things. Yet, then we tax them; we tax them disproportionately. This group has the courage to be able to identify, well, I guess then you guys really don't mean it. You will say one thing and do another.

The Independent Women's Forum urges Congress to put the Tax Code where its rhetoric is and eliminate marriage penalties. Serious steps to reform tax laws would mean real liberation to those who work and those who may have to in the future. Marriage taxes can impose a nearly 50-percent marginal tax rate on second earners.

They are saying in their publication, most of which are spouses, obviously, this is a State-sponsored discrimination, the unintended consequence of which is to discourage—they are saying here—women from entering the labor force.

''If Congress is sincere in improving the lives of American families, it will eliminate tax loopholes that choke paychecks. Real support for the family begins with tax reform.''

There is a strong letter that they are citing that we ought to change our Tax Code along that line.

Let's look at the Catholic Alliance, and what they say.

The Catholic Alliance Endorses the Marriage Tax Elimination Act.

Their president announces support for the Marriage Tax Elimination Act and the end of the marriage tax penalty. They say this:

Catholic Alliance promotes the primacy of the family as a matter of public policy. We support the Marriage Tax Elimination Act as one step in the right direction. The current tax code, while it still exists, should be used as a vehicle to promote social responsibility. It certainly should not be used in a punitive manner toward the preeminent institution of marriage and family.

How better could you describe it than that? ''It certainly should not be used in a punitive manner toward the preeminent institution of marriage and family.''

They go on to state:

We welcome the Marriage Tax Elimination Act introduced today by representatives Dave McIntosh and Jerry Weller. This bill can be a first step in recognizing in law that the family is the first church, the first school, the first government, the first hospital, the first economy, and the first and most vital mediating institution in our culture. In order to encourage stable two-parent marriage bound households we can no longer support a tax code that penalizes them,'' Fournier said.

Then this is what Pope John Paul II said in a letter in a publication called ''Christian Family in the Modern World.'' The Pope says this:

. . . families should grow in awareness of being ''protagonists'' of what is known as ''family politics'' and assume responsibility for transforming society; otherwise families will be the first victims of the evils that they have done no more than note with indifference.

There are some pretty strong terms that they noted.

UNANIMOUS CONSENT AGREEMENT

Mr. D'AMATO. Mr. President, I wonder if my colleague will yield for a suggestion that I would propound a unanimous consent. I have legislation that I know the Senator from Kansas is supportive of, and we want the Senate to be supportive. It would take me no more than 5 minutes to ask that it be brought up under a unanimous consent agreement.

I will speak for no more than 10 minutes, and probably less, because I have had an opportunity to make my views known; then, further, that the ranking member, Senator DORGAN, on the legislative appropriations, be given up to 15 minutes so that he might make his opening remarks on the legislative appropriations. That would be no longer than 25 minutes, and thereafter the Senator would retain the floor and the floor would return to him.

The PRESIDING OFFICER. Is there objection?

Mr. BROWNBACK. Reserving the right to object, if at that point in time I would be able to retain the floor, I am willing to agree.

Mr. D'AMATO. That would be the agreement.

Mr. BROWNBACK. I can then continue with my statement and have it appear continuously in the RECORD.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New York is recognized for 10 minutes.

Mr. D'AMATO. I thank my colleague from Kansas for being gracious, and Senator DORGAN, the ranking member, for his suggestion so we can accommodate the needs of our colleagues.

SENSE OF CONGRESS REGARDING THE CULPABILITY OF SLOBODAN MILOSEVIC FOR WAR CRIMES

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Con. Res. 105, and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 105) expressing the sense of the Congress regarding the culpability of Slobodan Milosevic for war crimes, crimes against humanity, and genocide in the former Yugoslavia, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I believe we are about to take historic action that is so important, because, to date, what we have been doing is pleading, negotiating, hoping while the world burns in front of us. When I say ''the world,'' I am talking of technically the people in this war-torn area of Kosovo.

It is incredible that 90 percent of the population there are ethnic Albanians under withering attack. In today's New York Times, it graphically speaks about it on the front page.

As a witness to this, a former paramilitary, former police officer in the Serbian police, said he can no longer stay there and work there as he watched innocent women and children being raped, killed, tortured and savaged—3 million people on the move, ethnic cleansing, moving them out of their homes, moving them out of their communities all because of one thing—all because of their ethnicity.

What we do today is the least we should be doing; and that is calling for the United States to, yes, utilize the provisions that the United Nations set up in terms of Security Council Resolution 827 creating the International Criminal Tribunal.

This man can and should be charged as the war crime criminal that he is. The documentation has already been chronicled in one of the best reports, which I have submitted to this body. The conclusions are inescapable. It is called ''War Crimes and the Issue of Responsibility,'' prepared by Norman Cigar and Paul Williams. It documents the systematic slaughter and use of paramilitary groups against innocent civilians. There is no doubt that not only did he know about that but that he continues to perpetuate this kind of conduct.

To summarize briefly what Resolution 105 does, it says that we, the United States, should publicly declare its considered reasons to believe that Milosevic has committed war crimes; that we make the checks of information that can be supplied to the Tribunal as evidence to support an indictment and trial of Milosevic for war crimes against humanity and genocide; that we should undertake it as a high priority; all of the information that we collect should be provided to the Tribunal as soon as possible; and, thereafter, that we coordinate our activities with our allies, members of the North Atlantic Treaty Organization and others interested in a matter of discussion of what we can and should be doing to apprehend this war criminal and others.

Yes. Mr. President, the time has come to gather the evidence and to submit it to the Tribunal, and to see to it that this man is branded as the war criminal that he is instead of us all sitting back silently as innocent lives continue to be taken.

Mr. President, I thank all of the Members of the U.S. Senate for the relatively short period of time Senator LIEBERMAN and I began this effort in terms of gathering cosponsors and support several days ago.

It makes me proud to be a Member of this body, for people to come together in this way to see, yes, the indictment of this war criminal. And he is one of the most evil men of our period of time. Make no mistake about it.

Mr. BIDEN. Madam President, I rise today as a co-sponsor in support of S. Con. Res. 105, which expresses the sense of the Congress regarding the culpability of Slobodan Milosevic for war crimes, crimes against humanity, and genocide in the former Yugoslavia.

Yugoslav President Milosevic is the walking definition of an unscrupulous politician. I have come to understand the stark truth that the only thing that matters to Milosevic is his own political survival. The only thing.

Since his rise to power in Serbia in the late 1980's, he has been a failure at everything he has attempted—except, I regret to say, in staying in power.

Slobodan Milosevic has been an unmitigated disaster for the Serbian people.

As a result of his insane attempt at creating a ''Greater Serbia,'' the centuries-old Serbian culture in the Krajina and Western Slavonia in Croatia has been extinguished, the Bosnian Serb community has been decimated and impoverished, and Serbian life in Kosovo seems on the verge of eradication.

Of course, that is only half of the story, for Slobodan Milosevic has also been a curse for many of the neighboring peoples of the Serbs. His vile ''ethnic cleansing'' led to a quarter-million deaths and more than two million refugees and displaced persons in Bosnia and Herzegovina. Bosnian Muslims, Bosnian Croats, and Croats in Croatia were brutalized and murdered.

Most recently, Milosevic's special police storm troopers have moved their grisly activities to Kosovo where they are visiting upon the ethnic Albanian population the same horrors suffered by the Bosnians and Croats.

I would like to add a personal note. I believe that I am one of only a very few Senators who have met Milosevic, and I am certain that I am the only one who ever called him a war criminal to his face.

In April 1993, on the first of my many trips to Bosnia, I also stopped off in Belgrade to see Milosevic. In the course of a lengthy meeting that went on late into the evening, I went through the entire litany of the horrors that his Serbian troops had perpetrated and were continuing to perpetrate. Of course, Milosevic protested that he had no control over any of this.

Nonetheless, he later asked if I wanted to meet Radovan Karadzic, the Bosnian Serb leader who has subsequently been indicted as a war criminal. I said yes, and twenty minutes later Karadzic came running up the steps of Milosevic's palace, totally out of breath. Rather interesting for a guy who supposedly had no influence in Bosnia!

After all this, Milosevic looked across the table and asked, ''What do you think of me?''

I answered, ''I think you're a damn war criminal!''

Milosevic's reaction was like water off a duck's back. He just resumed talking as if nothing had happened. He might as well have said, ''lots of luck in your sophomore year!'' This is one brazen guy.

Mr. President, I said earlier that the only thing Milosevic cares about is his political survival. I believe that for the first time there is a reasonable chance that he may be failing in this arena too.

In the person of Milo Djukanovic, the dynamic, young reformist President of Montenegro, the junior partner of Serbia in the Yugoslav Federation, the democratic opposition to Milosevic has both a new leader and a constitutional means of expressing its opposition. We must continue to support Djukanovic and Montenegro in their struggle.

In the meantime, as S. Con. Res. 105 urges, the international community should speedily bring Milosevic to trial before the International Tribunal in the Hague for his criminal behavior.

There is no possibility for lasting peace in the Balkans until Serbia has a democratic government, willing to live in peace and equality with its non-Serb citizens and non-Serb neighbors. Removing Milosevic from power is the sine qua non for this to happen, and S. Con. Res. 105 charts the path.

I thank the Chair and yield the floor.

Mr. President, I ask unanimous consent that the amendments at the desk, the resolution, and the preamble be agreed to, that the resolution, as amended, be agreed to, that the preamble be agreed to, as amended, and that the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at this point in the RECORD.

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

AMENDMENTS NUMBERED 3212 AND 3213, EN BLOC

The PRESIDING OFFICER. The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from New York (Mr. D'AMATO) proposes amendments numbered 3212 and 3213, en bloc.

The amendments (Nos. 3212 and 3213) en bloc are as follows:

AMENDMENT NO. 3212

(Purpose: To make a technical correction)

On page 3, line 4, strike ''probable cause'' and insert ''reason''.

AMENDMENT NO. 3213

On page 5, strike lines 24 through page 6 line 5.

The amendments (Nos. 3212 and 3213) were agreed to.

The concurrent resolution (S. Con. Res. 105), as amended, was agreed to.

The preamble was agreed to.

The concurrent resolution (S. Con. Res. 105), as amended, with its preamble, is as follows:

S. CON. RES. 105

Whereas there is reason to mark the beginning of the conflict in the former Yugoslavia with Slobodan Milosevic's rise to power beginning in 1987, when he whipped up and exploited extreme nationalism among Serbs, and specifically in Kosovo, including support for violence against non-Serbs who were labeled as threats;

Whereas there is reason to believe that as President of Serbia, Slobodan Milosevic was responsible for the conception and direction of a war of aggression, the deaths of hundreds of thousands, the torture and rape of tens of thousands and the forced displacement of nearly 3,000,000 people, and that mass rape and forced impregnation were among the tools used to wage this war;

Whereas ''ethnic cleansing'' has been carried out in the former Yugoslavia in such a consistent and systematic way that it had to be directed by the senior political leadership in Serbia, and Slobodan Milosevic has held such power within Serbia that he is responsible for the conception and direction of this policy;

Whereas, as President of the Federal Republic of Yugoslavia (Serbia and Montenegro), Slobodan Milosevic is responsible for the conception and direction of assaults by Yugoslavian and Serbian military, security, special police, and other forces on innocent civilians in Kosovo which have so far resulted in an estimated 300 people dead or missing and the forced displacement of tens of thousands, and such assaults continue;

Whereas on May 25, 1993, United Nations Security Council Resolution 827 created the International Criminal Tribunal for the former Yugoslavia located in The Hague, the Netherlands (hereafter in this resolution referred to as the ''Tribunal''), and gave it jurisdiction over all crimes arising out of the conflict in the former Yugoslavia;

Whereas this Tribunal has publicly indicted 60 people for war crimes or crimes against humanity arising out of the conflict in the former Yugoslavia and has issued a number of secret indictments that have only been made public upon the apprehension of the indicted persons;

Whereas it is incumbent upon the United States and all other nations to support the

Tribunal, and the United States has done so by providing, since 1992, funding in the amount of $54,000,000 in assessed payments and more than $11,000,000 in voluntary and in-kind contributions to the Tribunal and the War Crimes Commission which preceded it, and by supplying information collected by the United States that can aid the Tribunal's investigations, prosecutions, and adjudications;

Whereas any lasting, peaceful solution to the conflict in the former Yugoslavia must be based upon justice for all, including the most senior officials of the government or governments responsible for conceiving, organizing, initiating, directing, and sustaining the Yugoslav conflict and whose forces have committed war crimes, crimes against humanity and genocide; and

Whereas Slobodan Milosevic has been the single person who has been in the highest government offices in an aggressor state since before the inception of the conflict in the former Yugoslavia, who has had the power to decide for peace and instead decided for war, who has had the power to minimize illegal actions by subordinates and allies and hold responsible those who committed such actions, but did not, and who is once again directing a campaign of ethnic cleansing against innocent civilians in Kosovo while treating with contempt international efforts to achieve a fair and peaceful settlement to the question of the future status of Kosovo: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the United States should publicly declare that it considers that there is reason to believe that Slobodan Milosevic, President of the Federal Republic of Yugoslavia (Serbia and Montenegro), has committed war crimes, crimes against humanity and genocide;

(2) the United States should make collection of information that can be supplied to the Tribunal for use as evidence to support an indictment and trial of President Slobodan Milosevic for war crimes, crimes against humanity, and genocide a high priority;

(3) any such information concerning President Slobodan Milosevic already collected by the United States should be provided to the Tribunal as soon as possible;

(4) the United States should provide a fair share of any additional financial or personnel resources that may be required by the Tribunal in order to enable the Tribunal to adequately address preparation for, indictment of, prosecution of, and adjudication of allegations of war crimes and crimes against humanity posed against President Slobodan Milosevic and any other person arising from the conflict in the former Yugoslavia, including in Kosovo;

(5) the United States should engage with other members of the North Atlantic Treaty Organization and other interested states in a discussion of information any such state may hold relating to allegations of war crimes and crimes against humanity posed against President Slobodan Milosevic and any other person arising from the conflict in the former Yugoslavia, including in Kosovo, and press such states to promptly provide all such information to the Tribunal;

(6) the United States should engage with other members of the North Atlantic Treaty Organization and other interested states in a discussion of measures to be taken to apprehend indicted war criminals and persons indicted for crimes against humanity with the objective of concluding a plan of action that will result in these indictees' prompt delivery into the custody of the Tribunal; and

(7) the United States should urge the Tribunal to promptly review all information relating to President Slobodan Milosevic's possible criminal culpability for conceiving, directing, and sustaining a variety of actions in the former Yugoslavia, including Kosovo, that have had the effect of genocide, of other crimes against humanity, or of war crimes, with a view toward prompt issuance of a public indictment of Milosevic.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I thank this body and thank all of my colleagues for their support of what I consider to be a very important initiative. I certainly hope that the House acts quickly on this. I believe this is the least that we can and should do.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is recognized for 15 minutes.

LEGISLATIVE APPROPRIATIONS

Mr. DORGAN. Mr. President, we are at some time going to take up the legislative branch appropriations bill formally. I wanted to make a couple of comments in response to the comments made by the chairman of the Appropriations Subcommittee on Legislative Branch.

Senator BENNETT spoke about this work of the subcommittee. I have said before and I will say again I think he is an awfully good legislator. I appreciate very much the opportunity to work with him. We have worked in a cooperative spirit, in a bipartisan way, and have brought to the floor of the Senate a bill that I think reflects the right priorities and the prudent expenditure of the taxpayers' money for the things that are important and necessary.

I especially wish to commend Senator BENNETT. For those who don't know about his work on what is called Y2K or the year 2000 problem, I must say, having sat through all of the hearings we held, in every instance with every agency and every department, Senator BENNETT has been very determined to make certain that we are on the road to addressing the problems that confront us with the turn of the century and the programming and the computer software that exists around our country, and he has, of course, since been named chairman of a panel on this issue. A lot of people don't think too much about it because it is a year and a half away, but it is a very important issue. Senator BENNETT has been a leader on that issue, and I think the Senate owes him a debt of gratitude.

Let me just for a moment mention a couple of items in the appropriations bill itself. We have in this legislation provided for a Trade Deficit Review Commission. With the announcement once again today that the trade deficit hit another record high, and the trade deficit continues to swell and balloon on us, I think it is important for our country to do a comprehensive review of what is happening and what is causing it, and what are the range of things we might do to address it.

On this issue, we have worked, in consultation with the Senate Finance Committee, to make some changes that would be satisfactory to them. These changes will be reflected in the managers' amendment, and I think this process of constructing this recommendation has been a very useful process. It has been a collaborative effort with the folks in Senate Finance and others.

As to this Trade Deficit Review Commission, the chairman of the full committee, Senator STEVENS, has been a very strong supporter and a cosponsor; the ranking member, Senator BYRD, from West Virginia, a cosponsor and a very strong supporter as well. I think, especially given the news once again today, it is timely and important, and I appreciate, again, the cooperation of the chairman of the subcommittee.

I want to mention the General Accounting Office which is funded in this bill. The GAO, which most people know it by, normally shows up in stories around the country that are written about the investigations they do. The GAO does first-rate investigative work. It is the investigative arm of Congress. It is not partisan, has never been partisan. It is a group of dedicated professionals who, at the direction of Congress, review and study, investigate, and evaluate a myriad of things we ask them to do about how the money that Congress appropriates is being spent.

The GAO is a very, very important organization. We have cut the GAO substantially over a number of years and now we have tried to stabilize it with the right kind of investments. It is a smaller organization than it was, but it is a strong and assertive organization that does wonderful work for Congress.

I am pleased that the recommendation we have in this particular appropriations bill reaches the level, albeit a much lower level of staffing at the GAO than had been there previously, a level which I think will give it the strength to do the job we expect them to do and the American people expect them to do. Anyone who has read their reports, read the news reports of the studies they have done, knows the value of the GAO.

I do want to make a point that I have made repeatedly as well. I am profoundly disappointed, with respect to the GAO, that 21 months have passed since the departure of the Comptroller General, who is the person who heads the GAO. Comptroller General Bowsher headed the GAO for many, many years, a respected professional in every quarter in this community and around the country.

Twenty-one months ago Mr. Bowsher left the GAO. That was not a surprise because he had reached the end of his rather lengthy term and had announced he was leaving. So we have

had probably over 2 years' notice that position was going to be vacant. I am disappointed to tell my colleagues today that there is still not a permanent head of the GAO. We do not have a Comptroller General. We have someone who is acting. I have great respect for that person; he has done a very good job. But that is not the same as having a permanent head of an organization who is thinking in the intermediate and longer terms about what they hope to accomplish, how they want to run the organization.

I say to my colleagues, both Republicans and Democrats, all friends of mine, I am sure, if you are one of those whose responsibility it is to help select from a list of premier candidates a new Comptroller General, and you have not yet done that in consultation, I might say, with the White House, please get about your business. Get it done. It is profoundly disappointing to me and many others, and I think the American people, to know that the Comptroller General's position has been unfilled for 21 months. That is not fair to the American people, in my judgment. Those responsible ought to get to work and get this done.

One other item I might mention finally is the Congressional Budget Office. I was pleased that the committee report includes an exchange of letters that results from some items I have raised with the head of the Congressional Budget Office, Dr. June O'Neill.

The Congressional Budget Office was putting out information on a monthly and quarterly basis that talked about the surplus in the Federal budget. The law requires them to put out all the information, not just some of the information. And all of the information by law requires them to tell us not just what the so-called unified budget portrays, but what the budget looks like if you do not include the Social Security trust funds, and that is a different number. There is no budget surplus unless you take the Social Security trust funds and bring them over into the operating budget, there is no surplus. It doesn't exist. And so all of these rosy surpluses put out by CBO and used by some of my friends here in Congress to whet their taste for more tax cuts, all these surpluses are just fiction.

We finally have the CBO now putting out numbers that describe, all right, if you use the Social Security trust funds, here is the unified budget surplus. If you don't use the Social Security trust funds, here is the deficit. Every piece of information they put out, I might say, includes a notation that the Federal debt will continue to increase even as on the unified budget they claim there is a surplus. So that in itself will tell you that the American people need to have all of the information.

I think we are making progress there. I know that those who take the unified budget portion of the CBO reports will hire a band that plays fast music and will dance so fast we can hardly see them in the next couple of months to try to satisfy this appetite to construct a $50-, $100-, $200 billion tax cut bill. First of all, there is no surplus with which to construct that tax cut. And second, my judgment is that one of the first acts with any bona fide and real surplus ought to be to make some payment on that debt, just begin to ratchet that debt down. I have no idea whether the Senator from Utah agrees with that, but I do recall his presentations on the floor of the Senate, with a very interesting chart in which he looked at this fiscal policy in a way that was different from the way anyone else had looked at it.

I do think it would probably be a wonderful signal to the American people if we would take some part, of any future real surplus—not a fictional surplus but a real surplus—and say we intend, during good times, to try to reduce the actual indebtedness.

I just mention that because a lot of what we do relates to what information we have, and when the Congressional Budget Office is putting out information only about the unified budget and ignoring the section of law that requires disclosure of what the budget situation is if you do not use the Social Security trust funds, it, in my judgment, is giving information to people that is making them far more excited than they should be about a surplus that honestly, at this point, does not exist.

Let me mention, finally, we have some very dedicated people who serve this Congress—officers of the Senate and others who run the agencies and departments. I would like to say many of them have testified before our subcommittee. Many of them do outstanding work. They are not often heralded for that work. There is not a lot of information about the work they do. But I know, because we work late hours and spend a lot of time here, they put in a lot of hours. Their employees put in a lot of hours. We are well served by some people who are in public service here who provide staff assistance to the Congress. We should make mention of that.

One of the other agencies I want to mention finally is the Library of Congress. I know Senator BENNETT and I have had talks with Dr. Billington and others who run that wonderful institution. I think it is an institution that has somewhere around 14 million volumes of work. It is, I am told, the largest repository of human knowledge anywhere on Earth.

Just as an aside, I read a speech by the president of IBM. He was talking about what they are doing on storage technology. He said they are, he thinks, on the edge of research breakthroughs sufficient so that, in the not too distant future, they would be able to put all of the works in the Library of Congress—in other words, all of the largest volume of work of recorded human knowledge anywhere on Earth, on a wafer the size of a penny. Pretty remarkable, isn't it?

But the Library of Congress is a wonderful, important treasury of information for this country. We have had the pleasure of working with them on a wide range of issues. I want to especially compliment the work they are doing, digitizing a lot of their records, and the other things that are happening at the Library of Congress.

So let me conclude where I began, to say it is truly a pleasure to work with Senator BENNETT. He is, I think, an outstanding legislator. I hope at some point we can get the bill up. I hope when we get the bill up, we can get the bill passed and get on with this. But as I indicated in response to the Senator from Kansas, the issue he is talking about is not an insignificant issue, it is a real issue and an issue of some importance. As soon as we can find a way to resolve all these issues, perhaps we can get the legislative branch bill to the floor and get it resolved with some dispatch.

Let me thank the Senator from Kansas for his cooperation.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

MARRIAGE PENALTY TAX

Mr. BROWNBACK. Mr. President, I thank my colleague from North Dakota for his statement. I do want to note what is going on here. The leadership on our side is attempting to get the legislative branch bill to the floor for debate. That is appropriate and that is as it should be. I am simply saying, before we give the legislature its money, let's give some American families their money back in a small tax cut. Actually, I think we could do far better than this, but a tax cut that they should have. The leadership, TRENT LOTT, agrees with me on this and is willing to do that.

We have an objection from the other side of the aisle. The Democrat side of the aisle is not willing to let us take this bill up at this time.

The majority leader is in agreement and wants to do this, wants to have a vote on this particular bill. We cannot get agreement from our Democrat colleagues to agree to vote on this bill. The irony of that is, I think, if we were able to get it up for a vote, there would be a number of my Democrat colleagues who would agree that we should do away with the marriage tax penalty. This is a ridiculous notion, way out of step with all of our rhetoric, way out of step with the rhetoric of everybody running for public office in America, talking about the need to support family and family values.

We tax families more than we do people who are not in a family situation—not that we should penalize those either, but this should just all be level. Many of my colleagues on the Democrat side of the aisle, I am convinced, would vote for this. But we are being blocked by my Democrat colleagues from being able to take this up for a vote on a legislative branch bill, and I

am just not willing to concede that we should not vote on this issue at this point in time when we are running budget surpluses—that we should just say, OK, we will fund the legislature, we will fund all the operations of these fine institutions, but we are going to keep taking more money from married couples who make between $25,000 and $75,000 a year. We are going to penalize them $1,400 a year, on average, while the legislature gets their money and while the Democrat side of the aisle objects to this being voted on.

I do not think that is right. I do not think we ought to do that, particularly in light of what we know our financial situation to be. We can do this. It should be done. We used to do it. We used to treat married couples the same as single filers up until 1969. We treated them the same at that point in time. Then, at that point in time, we created the imbalance situation, to where married couples are taxed more.

I do not know how many people recognize just how this works, because it is not even all married couples who are taxed more. The National Center for Policy Analysis, in a February 1998 policy background paper, puts it this way. They say:

A marriage penalty results when a married couple pays more for taxes by filing jointly than each could be if each filed as a single person.

That was the feature we talked about earlier—some economists—a man and a woman, economists, who each year at the end of the year divorce, file separately, retain the extra money, have kind of a special party, honeymoon, and then marry again the first of the year. That is just each year they do this to take advantage of this situation, which is ridiculous, that the Tax Code would actually encourage that.

A couple files the marriage penalty only [only] when both spouses have earned income.

Is that fair, that we only do this when both spouses have earned income? A large percentage of married couples, where both spouses work, work because they have to; they have to, to make ends meet, when you have a national effective tax rate—national, State, local—of 40 percent, and you have one spouse work to pay taxes and the other spouse work to pay for everything else. So we have, in this country, again because of tax policy, in many respects—we force both couples to work, whether or not they really want to, in their family arrangement. That is their choice of what they decide to do.

But this marriage tax penalty then, to add insult to injury again, only applies when both spouses have earned income—only when both of them are working. Does that make any sense for a tax policy in America? Does that make any sense for struggling families at all? I think my Democrat colleagues ought to want to vote on that sort of issue.

Single earner couples never pay a penalty; in fact, always get a bonus from the Tax Code.

Single earner couples never pay a penalty; in fact, always get a bonus from the Tax Code, paying less taxes than they would pay as singles.

This is single-earner couples. Is that good tax policy either? Is that the way we should be? I think my Democrat colleagues would want to vote on an issue like this. We are talking about returning a portion and not spending more in deficit and not hurting Social Security reform or saving Social Security. We can still save Social Security. You don't have to pick between marriage and Social Security on this. CBO says we will have $520 billion in surpluses over the next 5 years. We can help pay down the debt, we can support marriage, and stop this ridiculous tax on marriage, and we can save Social Security. Those are doable in the current situation we are in. Why on Earth would we not want to vote? Why on Earth would my Democrat colleagues be blocking us from voting on this particular issue that is so important?

And, finally, we can help match our rhetoric to our actions on how important family values are. We need to do those things. They show, in this National Center for Policy Analysis backgrounder piece, just how this issue works.

The marriage penalty fundamentally results . . . [and they have charts in here] ''Percentages of couples with marriage penalties and bonuses.''

I note it only applies to two-wage-earner families that you get the marriage penalty, which I think is wrong. But what happens is, when you hit into this penalty category, this is when you have two-wage-earner families making between approximately $20,000 a year and $75,000 a year, hit this penalty category, this tax increase category.

Think about that. How many people in America would be impacted then by that? We are talking about two-wage-earner families making combined between $20,000 and $75,000 a year. That is a lot of people. It is an estimate that is affecting 21 million American families. That is just the two-wage earners. It is not the other children associated with the families who are getting this huge tax hit that on average is $1,400.

Maybe some people don't think $1,400 is very much money. It is a half-a-year car payment for some people. It is a wrong signal to everybody. Whether you agree or disagree that this is very much or very little, it is the wrong signal to send at this time of such struggle that we are having taking place in America. It just hits that category of people.

Mr. DORGAN. Mr. President, will the Senator from Kansas yield for a brief question?

Mr. BROWNBACK. Yes, I will.

Mr. DORGAN. I did not intend to interrupt the Senator from Kansas, I think, three times. He doesn't understand why the Democrats object to a vote on this. Does the Senator understand, the Democrats, as he characterized it, are not objecting to a vote on this? The objection is to a unanimous consent request that says there would be a vote on what you are proposing, but no one on this side of the aisle would be allowed to present alternatives for a vote.

We have a couple of people in the Cloakroom, I am told, who want to offer tax amendments as well, if you want to have a vote on tax amendments on the legislative branch bill.

It is not a case of Democrats objecting to a vote on your bill. I want people who might be listening to the debate to understand that. The unanimous consent request would say, let us have a vote on yours, but prevent anybody else from offering anything. Obviously, we have some folks who object to that.

Mr. BROWNBACK. And, obviously, then the reason I am not getting a vote on the tax penalty is your objection to this.

Mr. DORGAN. No, no——

Mr. BROWNBACK. My point in making that is to say we have a real situation here, well known, extraordinarily documented, and we have the ability to pay for it. And before we pay ourselves in the legislative branch bill, let's pay the American families a little something. That seems to me to make eminent sense of something we should do.

I also further note, if I can——

Mr. BENNETT. Mr. President, will the Senator yield for a question?

Mr. BROWNBACK. I will in just a moment.

We spent 4 weeks on the tobacco legislation. We spent lots of time on other things in which I know the Senator from North Dakota was deeply interested. We gave lots of folks lots of floor time. Have we voted on any tax cuts yet for the American public? We have voted on a lot of tax increases. I think it is time we start saying it is time to give the people back a little bit of money. I would like to see married couples get it back first.

I will yield for a question.

Mr. BENNETT. I want to make one quick clarification. The Senator made a comment that before we pay ourselves, and there are many people who believe that pay for Members of the Senate is included in the legislative branch appropriations bill. I want to make it clear that it is not. The legislative branch bill is pay for the staff, pay for the agencies connected with the legislative branch, but Members' pay is not here. If we do go to the legislative branch appropriations bill, it will not deal with pay for Members of Congress.

Mr. BROWNBACK. And I stand corrected on that issue. That is correct, and I did misspeak on that point.

Mr. DORGAN. Mr. President, if the Senator will yield further.

Mr. BROWNBACK. I appreciate my colleague from Utah for pointing that out. That was a misstatement on my part.

Mr. DORGAN. Mr. President, will the Senator yield further for a question?

Mr. BROWNBACK. Yes. I do want to show what is paid for in the legislative branch appropriations bill then as well.

The PRESIDING OFFICER. The Senator is recognized for a question.

Mr. DORGAN. I appreciate his courtesy. I just observe, however, I don't want him to skip over this point. The point isn't that somebody on one side of the aisle in the Senate is objecting to what you are doing. If there is intended to be a debate about tax policy on this bill, I expect the Senator from Kansas would fully understand, in the name of fairness, that it wouldn't be just his amendment that would be in order to be offered, but that there would be others, probably on both sides of the aisle, who would want to weigh in with their particular amendments.

The objection is to the unanimous consent request that would say you get to offer your amendment but no one else gets to offer their ideas on the subject of taxation. I hope that when you characterize this, it is not to characterize it as something that the Democrats are unfairly trying to do, because that is not the case. The objection is to allowing you to offer your amendment but preventing anyone else from offering their amendment on the tax issue.

In conclusion, I expect we will have a very substantial and lengthy debate on the issue of tax reform and tax changes and tax cuts perhaps in the month of September. At least that is the way it is shaping up. I want to make sure this is characterized fairly. I don't believe the Senator was being fair to us when he was saying we object to your amendment. That is not what we object to. We object to a process that says you can offer yours but no one on this side can offer their amendments on the subject of taxation. I appreciate the courtesy.

Mr. BROWNBACK. Mr. President, I appreciate the point. I still fundamentally disagree with it. If we are talking about the issue of fairness, we spent 4 weeks talking about raising taxes on tobacco and working Americans. I don't know how many people were arguing at that time, ''OK, if we spent 4 weeks on that then we ought to talk 4 weeks about tax cuts.''

I have only been standing here an hour or two. We spent 4 weeks talking about raising those taxes, vote after vote. Some of the things in that policy area I thought were making some legitimate points about how we should try to cut back on teen smoking—which I do not support; nobody supports teen smoking—and how we can get at it. If we are going to talk about fundamental fairness, we did spend 4 weeks on that particular topic and much of it centered around how we raise taxes.

I am talking about on this particular bill, because we are short on the Legislative Calendar, let's talk about a tax cut. We are not getting a vote on that. We are being blocked from getting a vote on a very serious tax policy problem at a very important time in our country.

There was a poll of the American public about what they are most concerned about today. Consistently, people have been getting more and more concerned about what is happening to the values of this country, what is happening to us. While I don't think this body at all can control that sort of, ''Hey, here's what's happening across a civil society in America,'' we can send signals, and we do send signals regularly.

When we had the welfare reform bill, we said in the welfare reform bill, ''OK, if you're an able-bodied person and you can work, after 2 years, you are going to have to work. If you can do that, we are going to make you do that.'' We sent a signal from here.

Do you know what is happening in Kansas because of that? We have a welfare roll reduction of nearly 50 percent. I met with a number of people who were on welfare for a long period of time. They said to me, ''This is a wonderful change. You forced me off it. Welfare was like a drug that I was hooked to. You made me get out and work, and I feel better about it.''

A 50-percent reduction, and the people who were on it feel better about where they are today. It was a signal. One can say, ''Well, we didn't really change that much of welfare reform policy.'' I think we did change a substantial amount, and we sent the right signal.

With this, Mr. President, we are sending all the wrong signals. We are saying that if you are a two-wage-earner family, you have to pay more in taxes. If you make between $20,000 and $75,000, I am sorry, you have to pay more in taxes. It is the wrong signal. It sends a bad signal. It needs to be corrected, and it can be corrected.

We are on the legislative branch appropriations bill. As the Senator from Utah had noted, this does not include the salaries of individuals who serve in this body, and I misstated that. These are some of the things that it does fund: It funds the operations of Congress. People can see the Superintendent's shops, the various things we fund here, and directory of services we have here.

The only reason I am pointing this out is that this is basically running this institution, some of which I am wondering why we don't have contracted out or privatized myself. My point in raising this is, I think before we pay these, we ought to give more back to families to operate their budget, a mere $1,400.

I talked some about the groups who support this elimination of the marriage tax penalty. I noted, too, I hope my colleagues from both sides of the aisle, when we get a chance to vote on this, will be supportive of this.

I think it is important that people understand how this problem works and when it went in place and what we can do about it.

I have cited the Congressional Budget Office before on this particular problem where they are noting:

> The Federal income tax law generally requires married couples filing a joint tax return based on combined income of husband and wife. As a result, husbands and wives with similar incomes usually incur a larger combined tax liability than they would if they could file individually. At the same time, spouses who have markedly different incomes but file as a couple generally face smaller tax bills than they would if they were single.

Is that good tax policy? Is that right?

> Those two possibilities often referred to as ''marriage penalties'' and ''bonuses'' result from the conflicting goals of a tax system that attempts to balance fairness between married and unmarried couples among married couples and among taxpayers with differing incomes.

OK. So we have had a conscious policy here toward marriage for some period of time. My problem is, why do we penalize a certain group in here, that is, middle-income individuals, struggling greatly in this system, and we actually have this as a policy? This is according to CBO. This is a policy, and we enacted it into law in Congress in 1969—before I was here, the year of Woodstock, the year of putting a man on the Moon. I do not know if there was a signal that was sent at Woodstock that we ought to do these sorts of things, but it went into place then.

> Under the 1996 tax law, married couples could face a Federal tax bill that was more than $20,000 higher than the amounts they would pay if they were not married and could file individual tax returns, whereas, other couples may find that filing a joint tax return reduces their tax bills by more than $4,000.

Now, surely my colleagues on the other side of the aisle would want to redress this issue. And I appreciate the Senator from North Dakota saying, ''Well, we're not opposed to it. We just want to raise a whole bunch of other tax bills.'' What we are trying to do with this is to direct and correct the very narrow wrong that applies to 21 million American families.

I would hope my colleagues on the other side of the aisle would say that is not something we need trading material for, that ''We will trade you that if you will let us bring up the Patients' Bill of Rights,'' or some other issue. Or as the Senator from Kentucky said, he wanted to do away with the marriage bonus, which I have a problem with. I do not want to raise those taxes on individuals. I do not think that most people on the other side of the aisle would say we need to trade this back and forth.

Why couldn't we just get a consent from them that we would vote on this amendment? Yet, that is the problem I am having, not being able to get consent from Democrat colleagues on this particular issue that we would be able to get a vote on this item.

I am willing to have a vote on Senator FORD's proposal that we do away with the marriage bonus, which I do not agree with. I will not vote with the Senator, but I certainly am willing to agree that we have a vote on that particular issue. But I do not see why we

would disagree. I do not see why we would have this particular problem at this particular time and in this debate.

Let me cite some other materials that people are working with about the particular problems that families are having.

CBO again:

The various ways of defining marriage penalties and bonuses—one broad measure indicates that more than 21 million married couples—

Twenty-one million married couples; so there are families associated with those married couples—

paid an average of nearly $1,400 in additional taxes in 1996 alone—

So $1,400 per couple—

because they must file jointly, whereas, another 25 million found that the benefits of filing jointly decrease their tax bill an average of $1,300.

I am glad that people got the decrease on the 25 million. I see no reason why we should penalize the other 21 million.

Marriage penalties totaled about $29 billion in 1996.

The marriage penalty—listen to this—$29 billion was the size of the marriage penalty in 1996. So $29 billion. That is a negative signal of gigantic proportion that we are sending across this Republic and across this country, if we do not deal with this issue. And it is of importance that we deal with it now while we have so few legislative days that remain.

I want to quote some people, what working Americans are saying about the marriage penalty as they grow more and more informed about the marriage penalty.

This is a gentleman from Union, KY. He said this:

Before we set a wedding date, I calculated the tax implications.

There is a scary notion, that before you get married that a person is going to actually calculate their tax implications to it. I hope more people do not do that.

Since we each earn in the low $30,000s, the federal marriage penalty was over $3,000.

This is a gentleman in Union, KY. The marriage penalty was over $3,000.

He notes:

What a wonderful gift from the IRS!

What kind of gift is that? What kind of message is that? What kind of signal is that? It is money that ought to be returned. I encourage people listening and watching—why don't you figure out what your own marriage penalty is to see how you are going to be impacted if we are able to get this change and get a vote on it from our colleagues on the other side of the aisle, if they will let us vote on it?

This is Bobby and Susan from Marietta, GA, who raised this issue. They said this quote:

When we figured out our 1996 tax return . . . we figured what our tax would be if we were just living together instead of married.

Now, that is not a very good notion either that we want to encourage with the tax policy.

They said this:

Imagine our disgust when we discovered that, if we just lived together instead of being married, we would have saved an additional $1,000.

That is the signal we wanted to send to Bobby and Susan from Marietta, GA?

''Imagine our disgust when we discovered that, if we just lived together instead of being married, we could have saved an additional $1,000.''

I am standing here thinking, now, is that the signal we wanted to send to them? How many married couples actually figure what their taxes are and say, ''You know what? The Federal Government is telling us not to get married. Maybe we should not get married, then, if that is the signal that they are sending to us. And we are going to either pay a penalty of $1,000 for getting married, or we can continue to live together. Now, should we pay that penalty or should we just live together?''

Bobby and Susan said they figured it was, for them, going to be an additional $1,000 in taxes.

Listen to this quote:

So much for the much vaunted 'family values' of our government. Our government is sending a very bad message to young adults by penalizing marriage this way.

Here are people that actually sat and figured it out. And people do figure these things out. And they do see the signals that are being sent, and they do respond. Fortunately, a lot of people know that these are wrong signals, and then they do not act accordingly. But they do respond to those things.

Here is Sharon from Indiana, what she said. This is a good one.

I can't tell you how disgusted we both are over this tax issue. If we get married not only would I forfeit my $900 refund check, we would be writing a check to the IRS for $2,800.

So she forfeits a $900 refund check. And she would be writing a check to the IRS for $2,800.

Darryl and I would very much like to be married . . .

''Darryl and I would very much like to be married.''

and I must say, it broke our hearts when we found out we can't afford it [when they found out they could not afford to be married because of the tax policy of this country].

Now, isn't that something we ought to deal with posthaste? Isn't it something we ought to say right now, let us have a vote on this so we can send the right sort of signal to Sharon and Darryl in Indiana and to Philip in Union, KY, and Bobby and Susan in Marietta, GA? They said: ''We can't afford to get married because of the Federal tax policy.''

This is a gentleman from Columbus, OH.

I am engaged to be married [he says] and my fiancee and I have discussed the fact that we will be penalized financially. We have postponed the date of our marriage in order to save up and have a 'running start' in part because of this nasty, unfair tax structure.

''Nasty, unfair tax structure.''

Those aren't quite the type of words that we use in the Senate all the time. But he has calculated, figured it up, and said, ''Well, OK, I want to get married, and we want to do a lot of things as a family, but the first thing we have to do is pay more in taxes.''

Is that the sort of policy that we want to send forward? Is that the sort of thing that we want the American public to look at and to hear about? Is that the sort of thing that we want to support as a policy, as a family values policy of this Congress?

Here is Christopher from Baltimore, MD:

I am a 23-year-old and a marriage penalty victim for four years now. I am a union electrician who works hard to put food on the table to take care of my family.

Then he asked the simple question, ''Why is the government punishing me just because I'm married?''

Why are we? Why aren't my Democrat colleagues willing to let me have a vote, let us have a vote, on a bill that most of them would support, as well, to do away with the marriage tax penalties? Are they just fearful we will give the American public back some of their money and will direct it to families who need it the most, young families just starting out, union electricians, who want a little bit more of their tax money back?

Two-wage-earner families is who this tax is actually targeted toward. We are actually taxing them more. Aren't we concerned about two-wage-earner families struggling heroically? This is a great direct shot at helping them build their family units.

Why won't my colleagues from the other side of the aisle let us vote on this? Let's just have a vote on this and see. I would think we would have a lot of people support it. Don't block this vote.

Scott from Palmdale, CA:

If you want more of something reward it; if you want less punish it monetarily.

That is a basic principle that is used in the Tax Code frequently.

If you want more family units, reward them financially. Then maybe the statistic will drop that says 70 percent of divorces are due to money challenges.

That is a pretty fundamental principle on this basis of how we run this Government.

We have places that we can send signals out there. We can send signals out through legislation, we can send signals through regulation, and we can send signals through tax policy in this country. The tax policy in this country is that if you tax something more, you will punish it; if you tax something less, you will reward it. We are actually taxing two-wage-earner families more. And do we ask them to get less of that—is that what we are asking to get less of?

This is Christopher, from Fairfield, OH:

One of the biggest shocks my wife and I had when deciding to get married was how

much more we would have to give to the government because we decided to be married rather than live together.

Here are people, figuring, calculating, looking and saying: OK, now what will we do here?

It does not make sense that I was allowed to keep a larger portion of my pay on a Friday and less of it on a Monday with the only difference being that I was married that weekend.

That is pretty succinct, as well.

The only difference was that I was married that weekend.

From Andrew and Connie from Alexandria, VA—real close:

We grew up together and began dating when we were 18. After dating for three years we decided that the next natural step in our lives together would be to get married. I cannot tell you the joy this has brought us. I must tell you that the tax penalty that was inflicted on us has been the only real source of pain that our marriage has suffered.

So here is a couple that dated for 3 years, when they were 18 they started dating—much joy; the only pain that has been inflicted is the tax increases that they suffered for getting married.

Here is Andrew, from Greenville, NC:

It is unfortunate that the government makes a policy against the noble and sacred institution of marriage. I feel it is unfortunate that it seems to hit young struggling couples the hardest.

That is great Greenville, NC.

If you look at the category of those hitting the marriage tax—and, again, I refer to the chart from the National Center for Policy Analysis—it is couples making, combined, $20,000 and $75,000 of earned income, two-wage-earner couples in that category, frequently young, married couples, starting their family. So that while this tax penalty actually hits 21 million married couples, it is hitting far more in the way of children. It is hitting young children at some of the most vulnerable times in their lives.

This is something that really was one of the most perverse signals we could possibly send. It is directed mostly at younger couples. It is when they are starting their families. It is at a time when people are deciding to get married or not to get married, and we send this perverse tax signal that you have to send more money that you are making to the Federal Government. If anything, we should be sending them a bonus at that particular point in time.

Why won't my Democratic colleagues let us vote on this? Why won't they let us do this? That just doesn't seem to make sense, why they wouldn't let us vote on this narrow issue. On the issue of fairness, they say we need to bring up other tax policy issues. We brought up a lot of tax increase issues. We are finally talking about a tax cut issue. We should be willing and able to vote on this sort of issue now.

This is Thomas, from Ohio. He writes:

No person who legitimately supports family values could be against this bill [that is, to eliminate the marriage tax penalty].

No person who legitimately supports family values could be against this bill. The marriage penalty is but another example of how in the past 40 years the federal government has enacted policies that have broken down the fundamental institutions that were the strength of this country from the start.

I don't know how any more clearly you could put that as an issue. Why would we continue to propound that? We may have somewhere around 30 or 40 legislative days left in this Congress.

My point in bringing this up at this point in time is, we aren't having a lot of chance to be able to correct wrongs on other bills other than appropriations that are moving through the legislative body. We have to move appropriations bills through. We should move appropriations bills through. We will not be getting a lot of these other issues up—tax policy, particularly dealing with this most onerous tax on married couples, marriage tax penalty. Why won't we deal with this now? We are trying to deal with it on the legislative branch appropriations bill, as well. This is a good vehicle to deal with it. It funds the institutions of the Congress here. So we are saying let's deal with this one now on this short legislative calendar that we have while we have the resources to be able to do it.

This is Sean, from Jefferson City, MO. He wrote this:

I think the marriage penalty is a major cause of the breakdown of the family here in the U.S.

He is citing it as a major cause of the breakdown of the family here in the United States.

[Ending it] would cut down on the incidence of cohabitation by unmarried couples and give more children two-parent families where there is a real commitment between the parents.

I am not certain about what he said earlier, but I think it is the proper signal for us to send to families, particularly the young and struggling ones.

From Houston, TX:

If we are really interested in putting children first, why would this country penalize the very situation, marriage, where kids do best?

A lot of single parents struggle heroically to raise children, and we don't want to penalize them. The amendment I want to put forward does not penalize them. It does not penalize them. It simply says a two-wage-earner married couple, earning between $20,000 and $75,000, you shouldn't penalize either. When parents are truly committed to each other through their marriage vows, their children's outcomes are enhanced.

That is Gary and Carla from Houston, TX.

This couple from New Castle, VA:

I am a 61-year-old grandmother, still holding down a full-time job and I remarried 3 years ago.

This is astounding.

I had to think long and hard about marriage over staying single as I knew it would cost us several thousand dollars a year just to sign the marriage license. Marriage has become a contract between two individuals and the Federal Government.

In this lady's estimation, from New Castle, VA:

Marriage is a contract between two individuals and the Federal Government.

She had to think long and hard about whether to stay single or get married because she couldn't afford the taxes. That is an extraordinary situation and ought to be corrected as soon as possible.

Here is from Chicago, IL:

We read that representative Jerry Weller of Illinois is one of a group of sophomore legislators pushing for an end to the marriage penalty. We do not believe this effort should be a partisan effort and strongly feel that members of both parties should join together to right this wrong and that Congress should do it quickly.

Well, that is what we are trying to do here today, and to do this quickly. It should be done. It can be done. We need to do it. We need to do it on this vehicle. That is why we are putting this forward now.

This is from Pennsylvania:

My wife and I have actually discussed the possibility of obtaining a divorce, something neither of us wants or believes in, especially myself, simply because my family cannot afford to pay the price.

Is that a horrendous statement to have from Jeffrey in Pennsylvania?—keeping the names somewhat anonymous.

My wife and I have actually discussed the possibility of obtaining a divorce, something neither of us wants or believes in, especially myself, simply because my family cannot afford to pay the price.

My goodness, that is something we just have to collect. This is the Ottawa Daily Times.

According to Edward McCaffery, a law professor at the University of Southern California and California Institute of Technology and author of ''Taxing Women,'' in an article in the University of Chicago Press:

The marriage penalty is essentially a tax on working wives, because the joint filing system compels married couples to identify a primary earner and a secondary earner, and usually the wife falls into the latter category. Therefore, from an accountant's point of view, the wife's first dollar of income is taxed at the point where her husband's income has left her.

Or that can be reversed to the category where the wife's income exceeds the husband's.

If the husband is making substantially more money than the wife, the couple may even conclude that it is not worth it for the wife to earn income. In fact, McCaffery's book details the plight of one woman who realized her job was actually losing money for her family.

Her job was actually losing money for her family. Now, that is a horrid situation that is taking place. This is in the book, ''Taxing Women,'' by Edward McCaffery, a law professor at the University of Southern California and the California Institute of Technology.

This next one is from the Ottawa Daily Times:

You try and be honest to do things straight, and you get penalized for it. That's just not right.

That was from Illinois.

I don't know how better to summarize it than how the people across

America have summarized it in these particular voices from across the country. Those are pretty good summaries. It raises the point of why I am so adamant that we need to deal with this issue now. I cannot understand why my Democrat colleagues want to block this issue—even under some notion of the fairness of them having a tax bill and us having a tax bill. I can't believe they would be opposed to this tax bill, which is on two-wage-earner families. I don't see this as a Republican or Democrat issue. This is an American issue, an issue of family values, which we all support, and we have very few legislative days left to deal with it. It needs to be dealt with now.

What could couples do with this money if they had the $1,400 that the average couple currently pays? Some people would do different things. They could pay electric bills for 9 months averaging $103 a month. They could pay for 3 or 4 months of day care if they had that $1,400 back—in some places it is higher, and in some it is lower. They could pay for a 5-day vacation to Disneyland if they wanted to with that $1,400. A package rate concludes a double room, a Disneyland hotel, and entry into the entertainment park for mom, dad, and two kids. I think that is a much better place to put this money, if people would just take off to Disneyland with their family in tow. I don't know if those rates still apply or not. Or they could make four or five payments on a minivan, which average $300 to $350 a month. It seems everybody needs a minivan anymore. Or they could eat out 35 times in a restaurant, with the meals averaging $40. They could buy 1,053 gallons of gasoline at $1.33 a gallon. They could purchase 1,228 loaves of bread, with an average loaf costing $1.14.

Now, ask anybody here, should these married couples spend the money on those things, or should they send it to us in penalty? I think they have better places to be able to put their own resources. So that is why I am so adamant that we not go on to this spending bill until we help American families with their spending. The ability to pay 9 months of electric bills is important.

I don't intend to just occupy my colleagues' time with this. This is an important issue that I think needs to be raised, and it needs to be seen, and it needs to be heard. There hasn't been a whole lot of discussion on this particular issue. I see other colleagues, and I would be willing to let them speak if they desire. I don't want to block them. I do want to raise this issue of consciousness across the American public on this particular issue of the marriage penalty. That is why I have been talking on this point and why I raise it on this legislative branch appropriations bill.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent to speak for 20 minutes.

Mr. BROWNBACK. Reserving the right to object, and I will not object.

I ask unanimous consent that, after the Senator's 20 minutes, I retain the floor.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Minnesota is recognized.

Mr. GRAMS. Mr. President, first, I want to take a couple of minutes, Mr. President, to compliment my colleague from Kansas on what he is doing in talking about this marriage penalty and advocating more tax relief for American families. He has done a great job. I agree with him wholeheartedly, because when you look at the marriage penalty, bottom line, this is an unfair tax that has been imposed on something like 21 million couples in this country. It penalizes them for actually being married rather than encouraging and supporting the institution of marriage. We have a Tax Code that actually penalizes couples if they get married.

A couple of months back, President Clinton was asked a question about the marriage penalty. I believe he admitted that it was unfair. Then he was asked, ''Why don't we get rid of it?'' The bottom line is that Government somehow cannot get along without this money. It is $29.1 billion a year, I believe. The Government can't get along without that money. Somehow families can get along without it, but the Government can't. Nobody calls up the families and says: If we have this unfair tax, are you able to get along without the money? Nobody calls the families. They just have to do more with less, or get along without it. The bottom line is that, in our Tax Code, somehow our Government is willing to collect taxes unfairly. I agree with the Senator from Kansas that families can make much better use of this money, as we have been advocating for so long, in reducing the taxes. I strongly support his efforts today in talking about the elimination of the marriage tax penalty. I just wanted to support him on that.

SOCIAL SECURITY'S COMING CRISIS

Mr. GRAMS. Mr. President, as the Senate continues its work on the spending bills for the next fiscal year, I rise today to speak about an issue that threatens the financial future of this nation: a disaster-in-the-making that jeopardizes our ability to fund any of the important discretionary spending programs we now debate, such as education or medical research. I rise to speak about the coming crisis of the Social Security program.

In my last remarks on this subject before this Chamber, I discussed the history of the Social Security program. Specifically, I talked about how hastily Congress passed the Social Security Act, how poorly the program was designed, and how fallacious its finance mechanism was. A Social Security crisis was inevitable—and arrived in the late 1970's, when the program began running a deficit and Congress raised taxes to shore it up. President Carter claimed Social Security would remain solvent for another 50 years. Just five years later, Social Security was facing another near-term insolvency. That time, after again raising taxes, Congress claimed the system would remain viable for 75 years.

Yet, here we are again.

Mr. President, as with the previous two crises, the coming retirement crisis is real. All the socioeconomic data suggest it is approaching. Both the government and private sectors are projecting the future insolvency of the Social Security program.

However, unlike the last two crises, the coming crisis will have a profound and devastating impact on our national economy, our society, and our culture unmatched by any we have faced since the founding of this Nation.

Despite all the evidence to the contrary, some Washington politicians continue to sing the ''don't worry, be happy'' refrain. Social Security is not in crisis, they say—it is not broken and will not go bankrupt. All it needs are a ''few minor adjustments'' to fix its problems.

Therefore, many of our constituents have only heard the good news and the happy talk: that Congress has balanced the budget for the first time in nearly 30 years and that the Congressional Budget Office projects surpluses growing to $140 billion within a decade. All of this good news is complemented by the fact that the Social Security Trust Fund boasts an asset balance that tops $600 billion and is expected to run surpluses for the next 13 years. And so the Social Security Administration passionately contends that Social Security benefits will always be there for everyone.

Insisting that the Social Security crisis is not real—that we are in better financial shape today than ever before—is like telling the captain of the *Titanic* the waters are clear, with no threat of icebergs, and the ship should proceed full speed ahead.

That is ''The Big Lie,'' Mr. President, and if we fall for that rhetoric, there is nothing but icebergs ahead for Social Security. For starters, the Social Security program's $20 trillion in unfunded liabilities have created an economic time bomb that threatens to shatter our economy. In addition, the declining rate of return of Social Security contributions means the system will be unable to meet the expectations of future retirees, who seek in retirement the same financial security they enjoyed in the workplace.

Beginning in 2008, 74 million baby-boomers will become eligible for retirement and the system will begin to collapse. From that point on, we will have

more retirees than ever before, and fewer workers paying into the system. And as medical advances continue to extend life expectancy, future retirees will be receiving benefits longer than was ever anticipated when the program was created.

The problem begins with the fact that the current Social Security system is a ''pay-as-you-go'' entitlement program. The money a worker pays in today is used to support today's retirees—the government does not hold it for an individual worker until he or she retires—meaning there is no reserve waiting for future retirees.

To put it real simply, there is no account in Washington, DC with anybody's name on it that has one dollar for your retirement. Not one dollar in Washington has been set aside. They rely on the workers today to collect the money from them to pay those on retirement today. When the program was originally conceived in 1935, this did not pose a threat. Back then, the average life expectancy for Americans had not yet reached age 65 and there were many more workers paying into the system than were taking out.

To put this into perspective, before the ''baby boom'' generation was born, there were 100 workers for every retiree. But as these same baby boomers begin to retire, the funding support is projected to eventually drop to merely two workers per retiree—100 for every retiree 50 years ago and 2 workers for every retiree at the beginning of the next century. Furthermore, these future retirees are expected to live to more than 75 years of age. We have gone from a program where the average worker died before ever receiving their benefits, to a situation where retirees are living years after they have received all their contributions back from the program. In fact, the Congressional Research Service estimates today's average Social Security recipient receives back his or her lifetime contributions within the first three to five years of retirement.

By the way, Mr. President, if we ran our households the way the government operates Social Security, we would never be allowed to finance a house, we could never send our kids to college with the help of a student loan, we could not even get a car loan; in fact, we could not function in the real world at all. If we ran our companies on a pay-as-you-go basis, there is a good possibility we would have been tossed in jail long ago.

When there are fewer workers to support each retiree, it is obvious something has to give. When Congress attempted to address projected shortfalls in the past, the government's response meant either reduced benefits for retirees, higher payroll taxes on workers, or some combination of the two. For workers, that has amounted to 51 tax increases on income or income adjustments in just the last 25 to 30 years; 51 times the government has raised Social Security taxes, or adjusted the income on which those taxes were levied. So it comes as no surprise that similar proposals are finding their way into our debate again today.

Unfortunately, this comes at a time when retirees are growing increasingly dependent upon Social Security benefits as their main source of income. This is in spite of the fact that Congress never intended Social Security to become a replacement for personal savings. Social Security was to be a supplement, not the major source of an individual's retirement dollars. According to a report by the Congressional Budget Office, though, workers have come to expect that, upon retirement, Social Security will provide them with income to replace a significant portion of their previous earnings. As proof of that, in 1996, Social Security made up approximately 40 percent of the cash income of the elderly. And as the number of workers covered by pensions continues to decrease and tax rates continue to complicate the ability of workers to save for their future and ensure their retirement security, dependency will surely grow.

The Social Security Trust Fund's unfunded liability makes the long-term budgetary impact of America's changing demographics even more significant.

The government's own data shows that the Trust Funds will begin to have cash shortfalls in less than 12 years. Beginning in 2010, Social Security will have to pay about $1 billion more than it will collect in taxes.

There will be no surpluses in the Social Security fund. In the year 2015, that number will climb to $90 billion of deficits.

In 2035, it will reach $1 trillion and in 2075, the annual shortfall will explode to a staggering $7.5 trillion per year. Even after being adjusted for inflation, the total unfunded liability is still staggering—at $20 trillion.

On paper, the Trust Fund boasts more than $600 billion in assets. ''On paper'' is the key, however. For years, Congress has regularly raided the Trust Fund to pay for additional federal programs—a practice that continues unabated today. Unfortunately, as the baby-boomers begin to retire, the government IOUs will become due.

Washington will either have to cut government spending, raise taxes, or borrow from the public to redeem those IOUs. Obviously, being unwilling—or unable—to control its own spending, Washington routinely chooses the latter two options. And so beginning by 2013, or maybe even earlier, taxpayers will be asked, yet again, to pay up as the IOUs are cashed in to fund retiree benefits. I agree with the majority of my Minnesota constituents that the government has no business raiding the Social Security Trust Fund to pay for its pet spending projects. The taxpayers have every right to be outraged that such a blatant abuse of the system is allowed to continue.

All these factors lead to the conclusion that the Social Security Trust Fund will go broke by 2032 if we continue on our present course. If the economy takes a turn for the worse, or if the demographic assumptions are too optimistic, the Trust Fund could go bankrupt much sooner. And once the cash shortfalls begin, they quickly climb to staggering levels.

Washington's fiscal mismanagement means it not only raises taxes, it also must borrow more from the public to cover the shortfall. Without a policy change, the CBO estimates the debt held by the public will balloon to nearly $80 trillion in 2050—from under $6 trillion today to $80 trillion in 2050. According to the General Accounting Office, the estimates are much worse. They say, it could top $158 trillion in debt and consuming nearly 200 percent of our national income. A national debt at this level would shatter our economy, and shatter our children's hopes of obtaining the American dream.

Mr. President, we often hear those individuals who want to maintain the status quo argue that by increasing the payroll tax by ''just'' 2.2 percent—going from 12.4 to 14.6 percent—we can somehow fix the problem for another 75 years, but that is absolutely false.

Based upon the Trustee's Report, the present value of the unfunded promise of future benefits totals more than $5 trillion—this is how much money we would have to collect and invest today to pay for the future retirees. To collect this much money, the federal government would be forced to impose a tax rate in excess of 100 percent on every American. This, of course, is assuming such funds would not be spent elsewhere in the interim and replaced with more IOUs, as we have done in the past.

The Concord Coalition projects that, from now to 2040, the cost of Social Security will rise from 11 to 18 percent of workers' taxable income. Add in Medicare and Medicaid and the taxes on these three programs take 40 percent off our paychecks—not even counting our Federal or State or local taxes; just those three programs: Social Security, Medicare, and Medicaid, would be a 40 percent tax on your income.

With federal, state, and local income taxes and other taxes, the tax burden will become too high for anyone to bear. These high tax rates will erase all growth in real after-tax worker earnings over the next half-century. When this occurs, the economy will be destroyed and a tax revolt from younger workers will certainly follow.

Mr. President, the only good news is that these problems are down the road and not already upon us. Of course, it would be easier to put off these difficult decisions by waiting until the crisis has actually arrived before we begin repairing the damage. As members of Congress, however, it is our responsibility to address the situation now, before we pass this financial nightmare onto our children and grandchildren. That is why I am speaking on this issue today.

Experts tell us that delaying action would require we take even more drastic measures in the future. Not only would such delays be costly, they would leave Americans with less time to prepare themselves for any adjustments to the program. When we consider that Social Security taxes consume approximately one-eighth of an average worker's lifetime income, there is a significant amount of money at stake for every individual. And that could grow, as we said, to one-fifth of all the money that an individual makes.

While Congress cannot change future demographics or merely replace the IOUs it has left sitting in the Social Security Trust Fund, it does hold the power to offer retirement security to all Americans by improving the way the Social Security System will operate in the future. I firmly believe it can be done without breaking the government's covenant with current retirees or leaving those about to enter the program in fiscal limbo. But it will take an innovative approach that breaks from Social Security's ''government-knows-best'' roots.

We must look to the ingenuity and competitive spirit of the private sector to improve and rejuvenate the program if we are to give future retirees any promise of retirement benefits.

I have often heard today's workers lament they do not think Social Security will be there for them. Forty-six percent of all young people believe in UFOs, says a study by Third Millennium, while just 28 percent think they will ever see a Social Security check. So more kids believe in UFO's than Social Security. Still, it is not too late to change that course and prevent the coming Social Security crisis.

As the national debate goes forward, Congress has the ability to empower workers with the tools to control their own future. If we can learn from our past mistakes and own up to the financial nightmare waiting down the road, we can transform Social Security from a program that threatens financial ruin to one that holds the promise of improved retirement security for generations to come.

We have much work to do and no time to waste, so I urge my colleagues to join me as we begin the transformation.

IMF REPLENISHMENT

Mr. GRAMS. Mr. President, yesterday, as we were debating the best way to help our farmers overcome low prices in the Upper Midwest, the Minority Leader appropriately called the IMF ''the single best tool available to provide economic stability in Asia, Russia and around the world.'' Unfortunately, he then went on to blame Republicans for opposition to IMF replenishment.

As one who joined many of my Republican colleagues here in the Senate to actively promote the IMF replenishment and pass the full $18 billion here as part of the Supplemental, I would take issue with that statement. It was the Republican leadership in the Senate who worked with the Administration to pass the $18 billion along with a balanced reform package designed to make the IMF work more effectively.

Yes, I have been disappointed that the House has still not acted on this matter. However, just yesterday, $3.4 billion was reported out of the Appropriations Committee's Foreign Operations Subcommittee, and there are positive statements that the full $18 billion may be included in the final Foreign Ops bill reported out of the full Committee next week. That was welcome news to those of us who strongly believe the IMF can play a positive role in addressing financial crises all over the world and restore important markets for US products. Now that new loans have been negotiated for Russia, the IMF's reserves are close to depletion. For the first time in many years, it has had to tap into its emergency fund. While I would have preferred the replenishment had been dealt with months ago, the logjam appears to have been broken.

Of course, there is one complicating factor. The funds are attached to the Foreign Operations bill—the appropriations bill that has been stymied by an inability of the House and the White House to work out the Mexico City abortion language which is annually attached to this appropriations bill.

While some may prefer not to have to fight controversial battles on appropriations bills, this is an issue that will not just go away. The sponsor is committed to bringing it up until it can be resolved to his satisfaction. Last year, a revised version, a substantial compromise, was attached to the State Department Reauthorization Conference Report and held up that report because of the veto threat of the President. That effort included a reorganization plan supported by the Administration that had been pursued for several years.

That is still being held up, and the IMF funding will likely be held up as well until the Mexico City issue is settled. The latest Mexico City compromise was a good attempt at solving this dispute. If the President really wants the IMF replenishment, he should exercise the needed leadership to work out the Mexico City language with the House as soon as possible. My colleagues in the minority can do more to help us achieve the replenishment by urging the President to pursue a resolution of Mexico City before any other alternative. I ask the Minority Leader for this assistance.

Thank you, Mr. President.

I thank the Chair. I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. I would ask unanimous consent that Senators HATCH, DASCHLE, LEVIN and MURKOWSKI be recognized as if in morning business in that order.

The PRESIDING OFFICER. Is there objection?

Mr. BROWNBACK. Mr. President, reserving the right to object, we were under the unanimous consent agreement that I was to receive recognition after my colleague from Minnesota. I am willing to go along with this if we have unanimous consent that I receive recognition after these colleagues conduct morning business.

Mr. DASCHLE. My apologies to the Senator from Kansas. I had meant to include that we also go back to Senator BROWNBACK at the completion of our presentations.

The PRESIDING OFFICER. Is there objection?

Mr. BROWNBACK. With that understanding, no objection.

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

The PRESIDING OFFICER. The Senator from Utah.

THE SECRET SERVICE AND THE ''PROTECTIVE FUNCTION'' PRIVILEGE

Mr. HATCH. Mr. President, I rise today to address the current controversy over whether Secret Service agents and employees should testify before the grand jury convened by the Independent Counsel, Judge Kenneth Starr. At noon today, the Chief Justice of the United States denied the Department of Justice's request for a stay of the order compelling Secret Service agents to comply with subpoenas. Thus, every level of the federal judiciary, including the Supreme Court, has now rejected the arguments advanced by the Department of Justice in support of a judicially-created ''protective function'' privilege. I sincerely hope that the Service and the Department will abide by these decisions and that the agents will testify truthfully and fully before the grand jury.

In my view, the Secret Service's duty to protect the President does raise legitimate issues about whether agents should receive special privileges before being forced to disclose what they see or hear as a result of being so physically close to the President. However, the Department of Justice has taken these legitimate factual concerns and used them for political reasons to mount a fruitless legal battle to find a court, any court, to concoct this privilege out of thin air. In so doing, at least in my opinion, the Department has squandered its own credibility and acted solely as the defense attorney for the President in his personal legal problems.

The trial judge and the D.C. Circuit have it right: there is no way for a court to conjure up a ''protective function'' privilege out of whole cloth. The Court of Appeals which rejected the Department's arguments concluded:

We leave to Congress the question whether a protective function privilege is appropriate

in order to ensure the safety of the President and, if so, what the contours of that privilege should be.

I have offered to lead such an effort in the Congress to craft a narrow privilege, and therefore I am at a loss as to the Department's motivations for so many appeals. I am worried, however, that the lengthy obstruction will lead my colleagues to conclude that the Service is not worthy of our support, and make it much more difficult for me to try to help them.

The narrow privilege I envision would address legitimate concerns of the Secret Service, but I am sure it would not be the broad, impenetrable privilege advocated by the Service, nor should it be. But a Congressional solution which ''splits the baby'' is possible. As the Washington Post concluded in an editorial this morning:

Any protection must recognize the responsibility of law enforcement officers to aid criminal investigations.

I hope that the circumstances when testimony by Secret Service agents is taken are limited to the most serious cases where the testimony is unique and directly related to accusations of criminal behavior. I am concerned, for example, that agents should not, under normal circumstances, be forced to testify before Congressional Committees or in civil matters. Again, I plan to address these issues when the Judiciary Committee holds hearings next year.

One particular issue I will address during these hearings is whether the presence of a Secret Service agent at a conversation between an attorney and the protected person should negate the attorney-client privilege. Now the law generally is that having another nonlawyer present voids the privilege, at least as to that person. I do not believe we want this outcome, and I plan to work on creating an exception to correct this problem. I should point out that press accounts have recounted promises made by Judge Starr that he will not attempt to use testimony by Secret Service personnel to pierce protected conversations.

I have to also add that if Secret Service Agent Cockell was in the President's presence because he had to be in the car to protect the President, and overheard conversations between the President and Mr. Bennett, his attorney, or between the President and Mr. Kendall, his attorney, or any other attorney of the President's, he had to be there as much as the seat they sat on had to be there. So I hope, even though technically the privilege would be waived because of Secret Servant Agent Cockell, I hope the Independent Counsel would respect that particular position of the Secret Service agent, and I have no doubt that he would. After all, there is some comity that must occur, even in matters like these.

In any event, that is something we can clarify next year, and I intend to do so. I have to say, neither attorney Robert Bennett nor David Kendall is an inexperienced attorney. I doubt if either of them would have discussed crucial secret matters with the President before anybody else, including a Secret Service agent. So I think this is a much overblown point, and I have no doubt that Judge Starr did not intend to pierce that type of conversation anyway. But that still does not relieve the Secret Service agents of their duty as law enforcement officers to make sure that criminal activity is not undertaken or, if it is undertaken, to make sure that they do everything they can to stop it.

I should note, however, that the Secret Service has been its own worst enemy here. No court is going to create this privilege out of thin air, and thus until Congress acts, the Service may have to provide testimony without any exceptions. I am talking about this so-called ''protective function'' privilege. But rather than come to Congress to work constructively, the Service has fought a futile effort in the courts of this land.

Many of the President's apologists have cited this current controversy as another alleged example of Judge Starr being too aggressive in his search for evidence related to the Lewinsky matter. But let's look at the record:

When Judge Starr sought evidence from White House employees, the Justice Department and the White House claimed privilege: the court sided with Starr.

When Judge Starr sought evidence from government attorneys, the Justice Department and the White House claimed privilege: the court sided with Starr.

When Judge Starr sought evidence from Secret Service agents, the Service and the Department claimed privilege: the court sided with Starr.

When Judge Starr sought evidence from Monica Lewinsky's first attorney, he claimed privilege: the court sided with Starr.

When Judge Starr sought evidence from a bookstore, it claimed privilege: the court sided with Starr.

And just over the last 48 hours when Judge Starr sought evidence from additional Secret Service personnel, the Justice Department and the White House claimed privilege: the District Court, the Court of Appeals and the Supreme Court all sided with Starr.

I hope when the pundits talk about these controversies, they remember that, when it comes to debates on privileges, Judge Starr has an impressive record. It is easy to criticize a prosecutor for being overly-aggressive in seeking evidence, but let us all remember that Judge Starr has not only a right, but an obligation, to conduct a complete investigation within the bounds of the law. As demonstrated by his impeccable record before impartial judges, he has done exactly that.

Lastly, it is hard to believe that the same White House that less than six weeks ago fought Judge Starr's request to have the Supreme Court take an expedited appeal of the Secret Service issue—and then gloated when the Supreme Court denied the request—resorted to an emergency appeal to the exact same court on the same issue. The hypocrisy speaks for itself.

Mr. President, I have confidence that Judge Starr will do what is right here. I have confidence that the Secret Service men and women will do what is right here. There is no excuse for the Justice Department—nor, I might add, the Treasury Department—to continue to pursue these fruitless claims. I was willing to go along with the pursuit of the claims to try to get the court involved en banc—the 11 sitting judges of the Court of Appeals for the District of Columbia—to make a decision on this. But anything beyond that just smacks of delay, and I believe that is exactly what is happening, especially since the White House has been slapped down so hard and the Justice Department has been slapped down in no uncertain terms, a number of times, on this very issue. I think it is time for them to wake up and realize they represent all of the taxpayers in this country and that they have an obligation to live within the law themselves and to not make any further frivolous appeals of this matter.

It is my understanding that they still are asking for the Supreme Court to grant certiorari in this matter. I can't imagine why they would do that after what they have seen in both the district court and now the D.C. Circuit Court of Appeals, and with the rejection of the stay by Justice Rehnquist. It seems to me that just smacks of another fruitless appeal for delay.

I do understand why the head of the Secret Service and others would fight for their Secret Service people and would try to take it to the nth degree. But that nth degree, it seems to me, ended with the Circuit Court of Appeals for the District of Columbia. Anything more than that seems to me to be highly frivolous, a delaying tactic that literally should not be done.

I think the Secret Service ought to come to us and help us to fashion a way so they can have certain protections with regard to the closeness that they have to the President of the United States, and we will try to give them that kind of protection. We will try to find some way of giving them a privilege from testifying in matters that do not involve criminal activity, among other things.

We will have to have hearings, and we will have to look at it very carefully, because it is a broad privilege they are asking for. They will never get exactly what they want, because I think people on both sides of the aisle will acknowledge that if it comes to criminal activity, if there is any criminal activity that they have observed or they participated in—and I doubt they have done anything like that, and I hope they haven't observed any criminal activity—they have an obligation, as law enforcement officers, to cooperate with the courts and to cooperate in

getting to the bottom of these things and getting these matters resolved.

With that, I thank my colleagues for letting me have this time.

I yield the floor.

The PRESIDING OFFICER. The Democratic leader.

NATIONAL SECURITY AND THE SENATE'S CHINA INVESTIGATIONS

Mr. DASCHLE. Mr. President, as every Senator is aware, a number of Committees are investigating the national security impacts of two parts of the U.S. relationship with China: the launching of American commercial satellites on Chinese rockets, and the so-called ''China Plan'' to influence the American political process through campaign donations.

Earlier this week the Majority Leader came to the floor to announce what he called ''major interim judgments'' of his task force coordinating this investigation. His remarks sparked a round of debate and speculation that may have clouded the real issues at hand, and I would like to take a moment to respond.

These are unquestionably significant issues that merit serious, objective review. For me and for the Democratic Senators on our investigation task force, the objective is simple: national security.

We want the national security to be enhanced; we want American lives and American interests protected.

If the Senate's work on the satellite export issue reveals flaws in our export controls that endanger national security, we want those flaws corrected—now.

If the facts warrant, we will gladly join with our Republican colleagues to that end. But there should be no place for politics, for partisan political maneuvering, when it comes to national security.

We also want U.S. law to be enforced without fear or favor. If the law was violated in campaign financing for the 1996 election, Democratic Senators want the guilty held accountable. The best way to ensure this occurs is not to discuss classified information associated with these cases, and thereby avoid impeding or damaging the FBI's and the Justice Department's ability to investigate and build cases.

In short, we care about this investigation because we care about national security.

One of the most important guardians of national security is the Senate Select Committee on Intelligence. This is a unique committee, Mr. President. It is not set up like others. It has a vice-chairman, not a ranking member. Its makeup gives the majority party just a one-vote advantage regardless of the composition of the Senate.

We try to keep partisanship out of most things we do, but in the case of this Committee, Mr. President, we insist on it, because Americans are more safe when Congress can conduct oversight of intelligence functions in a manner that is not just bipartisan, but nonpartisan.

It is for this reason that I agreed with the Majority Leader's decision to assign primary responsibility to the vital China investigation to the Intelligence Committee. And it is also for this reason that I am so gravely disappointed when its nonpartisan tradition is violated.

That tradition makes the assertion earlier this week that ''interim judgments'' had been reached in the China matter particularly disturbing. The Vice Chairman of the Intelligence Committee, the senator from Nebraska, said they most assuredly had not, a fact subsequently confirmed by the Chairman.

The Democratic priority is national security. National security is a complex and demanding topic in today's world. While several Senate committees consider the effect on Chinese ballistic missiles of launching American commercial satellites in China, this nation faces many other equally grave and immediate threats to our national security.

For example, Russia, which is now in an economic and military tailspin, has thousands of nuclear warheads and many tons of fissile material from which warheads could be made at stake and perhaps in jeopardy.

The temptation in Russia today to look the other way while such materials quietly migrate to rogue states must be acute. That's one way in which Russia's problems threaten the United States.

Other threats appear in the headlines for a few days and then recede from public view, but they are still out there: the very unstable nuclear confrontation in South Asia, the development of weapons of mass destruction by Iran and other rogue states, the growing conflict in Kosovo, the growing tension between the Koreas, the still-tense Bosnia situation.

We are also threatened today by nonnation state actors, the terrorist organizations who plot to kill or kidnap Americans overseas, and the crime cartels who use today's increasingly open international borders to bring narcotics and other criminal activity to our shores. Information warfare and the relationship between computers and our national infrastructure is another arena in which hostile nations, movements, or even individuals can threaten us.

All these threats present greater challenges to the defense, intelligence, and law enforcement establishments than they encountered during the cold war.

At the same time, the haystack is growing, the needles are as small as ever. We need to support and strengthen our capabilities in these areas. We need to be able to react quickly to changing threats and develop the brainpower to master environments ranging from now-obscure foreign cultures at one extreme, to global cyberspace at the other.

The one thing we should not do is stand pat, as if winning the cold war gives us the right to relax.

Congress authorizes and appropriates funds for the elements of government that defend against, deter, or counter the threats: the world's most capable military forces, informed by the world's leading intelligence services, as well as law enforcement entities which are second to none. It is our responsibility in Congress to fund these activities, to guide their continued improvement, and to oversee what they do.

If these departments and agencies are essential to our national security—and they are—then our Congressional authorization, appropriation and oversight processes for these activities are also essential to national security.

The need to address these issues underscores the importance of the Intelligence Committee's mandate. To approach these matters in a spirit of partisanship arguably puts the national security at risk.

As for the China inquiry, to my knowledge, none of the four committees that have conducted hearings on the matter has reached any conclusions, interim or otherwise. Many documents already in the possession of Congress have not even been reviewed. Other documents have not yet been received from the administration, which is working hard to comply with the sweeping document requests they have gotten from Congress.

So it is premature to reach even interim conclusions. To do so subverts the Congressional oversight process.

I would prefer not to be here discussing ongoing investigations. But I think it is important to correct the record so that from this point on we can let the committees do their work.

It has been suggested this week on the Senate floor that the Clinton administration's export controls for satellites are wholly inadequate. That statement should be considered in its historical context.

The policy of exporting satellites for launch on Chinese rockets was initiated in 1988 under President Reagan and has continued under Presidents Bush and Clinton. President Bush authorized the export of 9 satellites to China in three years. Each of these satellites could only be exported after President Bush determined that the transaction was in the U.S. national interest and that the Tianamen sanctions should be waived.

President Clinton did make some changes in the licensing process for the export of commercial communications satellites.

President Bush transferred licensing authority for over one-half of all commercial satellites from State to Commerce and recommended that serious consideration be given to moving the rest over to Commerce. President Clinton completed this transfer and issued

an executive order that greatly increased the role of the Defense Department in these decisions. In recent testimony before the Senate Armed Services Committee, a witness, otherwise critical of the Clinton administration, acknowledged that the United States has the strongest and best export controls in the world!

Does this mean the system is perfect? Certainly not. No multi-agency process involving thousands of decisionmakers and difficult technical and political issues can be. In fact, as a result of some of the information disclosed in the early stages of the hearings, I believe some modification is probably in order. For example, the Departments of Defense and State should see the final text of all licenses.

However, these are minor fixes in a system that, according to State, Commerce, Defense, and the intelligence community, is working well.

Second, it has been asserted that sensitive technology related to satellite exports has been transferred to China. Under the Clinton administration, all requests to launch U.S. satellites aboard Chinese rockets go through an exhaustive and careful scrutiny. The Departments of Defense and State must approve all licenses and always place U.S. national security in the forefront of their decision process. Their primary role in this process is to specifically design procedures to ensure that China's access to U.S. technology is limited solely to what is needed to mate the U.S. satellite to the Chinese launcher.

If these procedures are properly followed, the Chinese learn little, if anything, about our satellites or the technology they contain. Indeed, the Chinese gain no direct access to our satellites and only take ownership of the U.S. satellites they purchase from us after they are successfully placed in orbit.

Third, it has been charged that China has received military benefit from U.S. satellite exports, and reference has been made to Chinese missiles pointed at U.S. nuclear cities. These very same missiles were developed years before President Reagan decided to allow U.S. satellites to be placed atop Chinese launchers.

Furthermore, Intelligence Committee hearings have been held on this very issue. And I might say all of them were closed hearings, and public accounts of those hearings fail to substantiate this sensational charge. There is no public account, to my understanding, that substantiates the sensational charges made earlier by people on this floor.

The final specific charge I will address today is the assertion that new evidence has come to light about a Chinese plan to influence our political process, and that this new evidence should lead the Attorney General to appoint an independent counsel. Unfortunately, the ''new'' evidence cited is highly classified and cannot and should not be discussed publicly.

Mr. President, publicly characterizing classified information under any circumstance is dangerous. Using it to make charges against which the accused are unable to defend themselves is even more so.

Classification is a misunderstood, sometimes frustrating, thing. It is difficult to explain and understand why we keep some things secret. Well, the reason is simple. Americans, and our friends around the world, quite literally risk their lives to gather this information because we promise to protect them.

When classified information is characterized, the sources who collect intelligence and the methods by which they do so are in danger. Furthermore, because the information involved was classified, those citing it are fully aware that the individuals involved cannot, under law, use that information to reply.

I will resist the temptation to place on the Record my own characterization of this new classified information. Instead, I will simply make the point that we have heard Republican Members make equally ominous proclamations about the China-plot in the past only to see that these facts fail to substantiate their own allegations.

Moreover, Attorney General Janet Reno has access to all relevant information, classified and unclassified. She has not been reluctant to call for a special prosecutor in the past, and I am confident that should the facts warrant, she will not hesitate to do so in this case.

These observations cover my concerns about what has been voiced by critics of this administration's export policies. However, my greatest reservation is the result of what has not been stated. These critics repeatedly fail to mention that the last six Presidents—Democratic and Republican alike—have each concluded it is in our national interest to engage China, not isolate it.

Specifically, every President since Ronald Reagan has agreed that our national security is enhanced as a result of allowing the Chinese to place U.S. satellites in orbit.

Based on current information, I agree with this assessment. I believe it is in our national interest to dominate the world's commercial satellite market. This is a strategic industry vital to our defense. We simply cannot be the dominant power in today's high-tech world without this industry and others like it.

This industry also produces tens of thousands of challenging, high-paying jobs for Americans. So when the Chinese choose an American satellite instead of a foreign satellite, that is good for our security as well as our economy. But the underlying point is that congressional committees are taking a fresh look at all these issues. Therefore, I will reserve final judgment pending their findings.

The China investigations now underway could have significant, positive benefit for national security. That is my goal and the goal of the Democratic task force. We look forward to working with Senator LOTT and Republican members of his task force to get an outcome that makes America safer.

I applaud many members of our task force and the work done by members of the committee. The next speaker, Mr. President, deserves special commendation. He is not only a member of the Intelligence Committee, but he is our ranking member on the Armed Services Committee. I do not know of anyone who has put more time and effort into sifting through these facts and attempting as best as he can, in as objective a manner as he can, what the facts are. He has done so in a fashion that is commensurate with his reputation. I commend him again for his studious and thoughtful analysis and the work that he has provided not only to our task force but to the committee.

I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. First, let me thank the Democratic leader for those kind comments.

It is my intention just to briefly amplify what the Democratic leader said here this afternoon. And I am greatly appreciative for the tremendous support that he has given to an effort to achieve a bipartisan approach to an issue which should be approached in a bipartisan manner. There is no justification for partisanizing this issue. It will weaken our security if we do so. And the Democratic leader's effort to insist that we approach this issue in a bipartisan way, I hope, will produce some results.

Mr. President, the statement that was released last Tuesday by the majority leader was a highly partisan approach to the multiple hearings which we have had in the Senate relative to the export of satellites to China.

I happen to sit on three of the four Senate committees that have held these hearings, so I speak from personal experience when I say that the majority leader's statement omitted some of the most important testimony that those committees received.

His statement also conveyed the false impression that the statement was a bipartisan product, when to the best of my knowledge not a single Democrat was consulted or even knew that the statement was being prepared.

The majority leader's statements claim that he was being careful not to rush to judgment, but then he offered such unequivocal conclusions as:

> The Clinton Administration's export controls for satellites are wholly inadequate, [and that] they have not protected sensitive U.S. technology, [and that] national security concerns are regularly downplayed and even ignored, [and that] sensitive technology related to satellite exports has been transferred to China, [and that] China has received military benefit from U.S. satellite exports.

To my knowledge, Mr. President, not one of the Senate committees investigating these issues has reached those conclusions. The evidence that the majority leader offered to support his conclusions ignored some of the most important testimony that we received, obviously, because it contradicted their conclusions offered.

For example, the majority leader's statement ignored testimony by senior Department of Defense and State officials on June 18 and 25 and on July 8 that the 1996 Clinton Executive order ''strengthened'' the Department of Defense's role in Commerce export licenses, rather than weakening it, and also ignored the fact that those Department of Defense and State Department officials believed ''it would be a bad thing'' to return to State licensing of commercial satellites.

In a June 18 hearing before the Senate Governmental Affairs Subcommittee on International Security on which I sit, when responding to a question on whether commercial satellite export licensing should be returned to the State Department, Department of Defense, Principal Deputy Under Secretary for Policy Jan Lodal testified that ''I think it would be a bad thing to do.'' And Assistant Under Secretary of State for International Security John Holum, testified, ''I agree. . . . I would recommend against that.''

Mr. President, the statement of the majority leader last Tuesday also ignored the Department of Defense and State Department letters which were included in the June 18 Governmental Affairs Committee subcommittee hearing record and which stated that each agency has an adequate opportunity to revise and support the issuance of all satellite export licenses actually issued by Commerce since 1990.

The majority leader's statement ignored testimony on June 18 by senior State and DOD officials, stating that they are unaware of any transfer of sensitive U.S. satellite technology to China that has harmed U.S. national security.

Mr. Holum testified, ''[W]e do not believe that any launch of a commercial satellite under this policy since 1988 has resulted in a transfer of significant technology or assistance to Chinese either space-launch vehicle capabilities or missile capabilities.''

Mr. Lodal testified, ''I agree. We're not aware of any situation in which such transfer harmed U.S. security.'' Yet the majority leader's statement ignores that kind of testimony.

Now, the majority leader's statement cited testimony critical of U.S. export control from a June 25 hearing before the Governmental Affairs Committee by an individual that the majority leader described as a ''senior official of the Defense Trade and Security Administration,'' without mentioning testimony the following week before the Senate Armed Services Committee revealing that this individual, Dr. Peter Leitner, had been demoted by the Bush administration from a senior policy position to a lower-level licensing officer within that office. The statement of the majority leader also omitted testimony on June 25 and on July 9 by some of Dr. Leitner's current and former superiors at the Department of Defense contradicting Mr. Leitner's facts and assertions.

The majority leader's statement cites testimony by the GAO before the Senate Intelligence Committee on June 10, but omitted testimony from the same hearing indicating that the General Accounting Office has not reached a conclusion on whether current export controls are adequate to protect national security, and he omitted to say that the Intelligence Committee had requested the General Accounting Office to conclude that analysis. Now, the relevant testimony came from Katherine Schinasi, the Associate Director of the International Affairs Division at the General Accounting Office. Responding to a question about Department of Defense's ability to effectively advocate national security interests in the current export control process, she testified on behalf of the General Accounting Office that, ''We have not looked at how that process has operated.''

The majority leader's statement indicates that moving satellites from the State Department to the Commerce Department eliminated the requirement that Congress receive notice of individual export licenses. The statement failed to mention the legal requirement that the President must notify Congress of all national security waivers authorizing commercial satellite exports to China, whether the export license is issued by State or by Commerce. The majority leader's statement also failed to note that Congress has, in fact, received timely notice of every waiver granted to export a satellite to China; and that Congress has received timely notice of the decisions in 1992 and 1996 to transfer satellites from the State Department to the Commerce Department. It fails to acknowledge that despite receiving all those notices, Congress took no action to express disagreement with the decisions made.

The majority leader's statement also omitted mention of the National Security Council letter included in the July 9 Senate Armed Services Committee hearing record, stating that the National Security Council conducts the same waiver review process for commercial satellite exports to China, whether the export license is issued by the State Department or by the Commerce Department.

The majority leader's report omitted testimony on June 18 and July 8 before the Governmental Affairs Subcommittee on international security, by senior Defense and State Department officials that, after the 3 unmonitored satellite launches took place in China, a policy decision was made in 1996 and remains in effect today, requiring the Defense Department to monitor all satellite launches, whether or not a satellite contains sensitive technology.

Mr. Lodal, speaking for the Defense Department, testified on June 18 that

> Communication [satellite] licenses include strong safeguards, including DOD monitoring . . . DOD currently reviews all communication satellite licenses to ensure that the proposed export would be consistent with U.S. national security interests . . . [A]fter the implementation of the 1992 Bush administration decision to transfer to Commerce purely commercial satellites, and before the 1996 revision, there were three launches that were not monitored . . . We're not aware of any transfer of technology from these unmonitered launches that contributed to China's missile and military satellite capabilities.

He continued, speaking for the Defense Department:

> Nevertheless, DOD did conclude that full monitoring would be a strong safeguard at relatively low cost to the companies, and that it should be applied to all license cases, even those that did not require Department of State licenses. And this was agreed by all agencies and incorporated as a requirement in 1996, when jurisdiction was transferred to Commerce for all commercial communications satellites. . . .''

The majority leader's statement identified the major ''military benefit'' of China launches of U.S.-made commercial satellites to be the access gained by the Chinese military to an improved commercial telephone system, without acknowledging that that same so-called military benefit would have accrued if China had instead launched European-made commercial satellites.

The majority leader's statement ignored testimony from Clinton administration critics on July 9 before the Senate Armed Services Committee that the United States export control system is still the ''best'' and most restrictive in the world.

Now, the majority leader has the right to say whatever he wishes on the subject of satellite exports to China. But he is wrong to suggest, as his statement did, that his conclusions were bipartisan, or that they were reached by the Senate committees examining this issue. His statement struck a major blow to whatever hopes there were that the Senate committees would proceed in this matter in a bipartisan way, with emphasis on the facts rather than on partisan politics.

Mr. President, I hope that a bipartisan approach can still be salvaged. But I think it is fair to say that that goal, that effort which is so important to the national security of this Nation, was given a set-back by the highly partisan comments of the majority leader on this floor last Tuesday.

Mr. President, I thank the Chair and yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS CONSENT REQUEST—H.R. 4112

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now

turn to H.R. 4112, the legislative appropriations bill, and the following amendments be the only amendments in order: One, a Thomas-Brownback amendment regarding nongovernmental services, and one managers' amendment. I further ask unanimous consent that debate must be concluded today, with the exception of the managers' amendment, and that any vote ordered with respect to the bill be postponed to occur at 9:30 a.m. on Tuesday, July 21. I further ask unanimous consent the Senate proceed to the State-Justice-Commerce appropriations bill following the conclusion of debate on the legislative appropriations bill.

The PRESIDING OFFICER. Is there objection?

Mr. BROWNBACK. Mr. President, reserving the right to object, as I understand the proposal being put forward by the majority leader, it would not include the marriage penalty bill that I am requesting we get a vote on, that I know that he does support; we are getting some opposition from other places.

If that is, indeed, the case, I must object to this bill.

The PRESIDING OFFICER. The objection is heard.

Mr. LOTT. In light of the objection, I have no alternative than to call up the legislative appropriations bill and file a cloture motion.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1999

The Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, I ask the Senate now turn to H.R. 4112.

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

The clerk will report.

The legislative clerk read as follows:

The bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.

CLOTURE MOTION

Mr. LOTT. Mr. President, 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.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provision of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the legislative appropriations bill:

Trent Lott, Robert F. Bennett, Ted Stevens, Don Nickles, Bill Frist, Jesse Helms, Pete Domenici, Richard Shelby, Rod Grams, Kit Bond, Thomas A. Daschle, Orrin G. Hatch, Larry Craig, Strom Thurmond, Paul Coverdell, and Chuck Hagel.

Mr. LOTT. Mr. President, for the information of all Senators, unfortunately in this case Members on our side of the aisle have insisted on an amendment that made it impossible for us to get a unanimous consent agreement as to how to bring up a complete legislative appropriations bill. In order to expedite that legislative appropriations bill, I did, then, file a cloture motion. That vote will occur on Tuesday, July 21, at approximately 9:30 a.m.

I now ask that the mandatory quorum under rule XXII be waived.

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

Mr. LOTT. I want to confirm that I have discussed this, of course, with Members on our side of the aisle and with Senator DASCHLE. He is aware of this. Any first-degree amendments, then, that are to be offered to the legislative appropriations bill, must be filed by 2 p.m. on Monday, July 20.

MORNING BUSINESS

Mr. LOTT. I now ask that there be a period for morning business with Senators permitted to speak for up to 10 minutes each.

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

UNANIMOUS CONSENT REQUEST— S. 1482, S. 1619, S. 442

Mr. LOTT. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, proceed to the consideration of Calendar No. 436, S. 1482, and it be considered under the following limitations: 1 hour of debate equally divided on the bill; one amendment offered by Senator DURBIN, regarding reviews of criminal records, 30 minutes of debate equally divided; one amendment offered by Senator MOSELEY-BRAUN and Senator DURBIN relating to Internet predators, 30 minutes of debates equally divided; one amendment offered by Senator DODD regarding blocking software, 30 minutes of debate equally divided. No other amendments will be in order to the bill.

I further ask consent that following the expiration or yielding back of debate time, and the disposition of the above-listed amendments, the bill will be read for a third time and the Senate will proceed to a vote on passage of the bill, with no intervening action or debate.

I further ask consent that the majority leader, after consultation with the Democratic leader, proceed to the consideration of Calendar No. 437, S. 1619, and it be considered under the following limitations: 1 hour of debate equally divided on the bill, 30 minutes for Senator MURRAY; one Dodd amendment regarding America Online, 30 minutes equally divided; one Feingold amendment, text of S. 900, 30 minutes equally divided; and one relevant amendment offered by Senator BURNS, 2 hours equally divided.

I further ask unanimous consent that following the expiration or yielding back of the debate time and the disposition of the above amendments, the bill be read the third time and the Senate proceed to a vote on passage of the bill, with no intervening action or debate.

I finally ask consent that S. 442, the Internet tax bill, be referred to the Committee on Finance, and, further, that if the bill has not been reported by July 30, it be automatically discharged from the Finance Committee and placed on the calendar.

Now, I might just say before the Chair puts the question on this agreement, this would be the process whereby we bring to the floor the Internet filtering bill, the Internet pornography bill, and the Internet tax bill.

So I did ask consent that it incorporate a process to bring all three of these very important matters to the floor of the Senate.

Mr. LEVIN. Reserving the right to object, I just state for the Record with regard to the proposal just offered, there have been ongoing efforts to clear a unanimous consent agreement on each of the items just mentioned. From the Democratic side, we can enter a unanimous consent agreement with regard to S. 442 and S. 1619.

However, at this time, we are still attempting to get clearance on a unanimous consent agreement on S. 1482, but are not in a position, today, to enter into such an agreement. If the majority leader wants to call the bill up with no agreement, then, perhaps, we can do that, but for the Record, Mr. President, the Democratic side can now enter an agreement on S. 442 and on S. 1619. If the other side is ready to do that, we can go forth.

Otherwise, I have to object to the consent request just propounded.

Mr. LOTT. Mr. President, did the Senator object, then?

Mr. LEVIN. Yes.

Mr. LOTT. I would like to say we have worked on it and I think we have made some progress. These are all interrelated or connected, because it does involve the Internet with regard to filtering, to keep out certain programs in our schools; and of course the tax question. There has been a lot of work that has gone on in that area, working not only with the companies that would be affected, then, the Internet companies, but working with Governors and mayors, making sure that all points of view are involved. But the pornography question is a very, very important part of it all and it does relate to the Internet. In fact, there have been indications just recently that even more pornography than what is already there is planned for the future, free and accessible to everybody.

So, for now, I think we should keep the three together, but we will continue to work with the minority and see if we can get an agreement to clear all three of them or consider just doing two of them if all else fails. I think we should not neglect any of these.

MEASURE READ THE FIRST TIME—S. 2330

Mr. LOTT. Mr. President, I send a bill to the desk and ask that it be read a first time.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (S. 2330) to improve the access and choice of patients to quality affordable health care.

Mr. LOTT. I now ask for a second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read for the second time on the next legislative day.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

THE ADMINISTRATION'S POSITION ON TAIWAN

Mr. MURKOWSKI. Mr. President, last week the Senate made an important statement that we support Taiwan by passing S. Con. Resolution 107. And that we are committed to her people, to her government and to her democratic way of life.

While we have made countless statements in this body before concerning Taiwan, the circumstances which led to S. Con. Res. 107 were different—markedly different—from those in the past. During the President's trip to China last month, President Clinton ''clarified'' his policy toward Taiwan. He indicated while in Beijing—that the United States, in agreeing to the One China policy, had agreed with China that reunification would be peaceful. Further, while in Shanghai, he went a step further and, for the first time, uttered that the United States supports the ''Three Noes'' long advocated by the government of the People's Republic of China. That is: the United States does not support one-Taiwan, one China; the United States does not support Taiwan independence; and the United States does not support Taiwan's membership in nation-state based international organizations.

To understand why this concerns me, Mr. President, one needs to understand the nuances of our federal law and policy toward Taiwan. It is in the Taiwan Relations Act, which was passed by Congress and signed into law by the President in 1979—back when the United States officially broke off relations with the Republic of China on Taiwan in favor of the People's Republic of China (PRC). Section 2(b)(3) states that ''. . . the future of Taiwan will be determined by peaceful means.'' We have also signed Three Joint Communiques with the PRC which address the Taiwan question. While they all speak to the peaceful resolution of the Taiwan question, none goes so far to speak to the question of reunification.

Up to now, the saving grace of American policy toward China and Taiwan, if there were any grace to it, was the ambiguity. China did not know what the United States would do if Taiwan declared independence; or if China attacked. They thought they found out in 1996, when the President rightly sent two aircraft carriers to the Taiwan Straits to show our strength and resolve—while the Chinese conducted missile tests aimed at influencing the national presidential elections in Taiwan. But we have a whole new ballgame, now Mr. President. What a difference a day makes.

Incredible, Mr. President. The Administration then feigns innocence and insists that the President's remarks did not constitute a policy change and that our policy on Taiwan has not changed since 1979—that it is the same now as it was then. I'm sorry, but I have to expose this for what it is—a world of make believe. If you repeat something enough times, eventually people will take it as the gospel. Well not this time.

This is a policy change; and a serious one at that. Considered collectively, which I know the Chinese government is doing, it appears to be a major concession by the United States on the issue of Taiwan. As I said last Tuesday, I know the Chinese; and understand full well that they will use it to their utmost advantage. They will tell Taiwan and the Taiwanese people that if they declare independence, even if by democratic referendum (one person, one vote), that the United States will not support them. Case in point, the Washington Post article last Friday, ''China Tells Taiwan to 'Face Reality' Reunification Talks Urged.'' Although I brought this to the Senate's attention last week, I think the point needs to be reiterated so that people are on notice. I ask unanimous consent that a copy of this article appear in the CONGRESSIONAL RECORD following my remarks.

The PRESIDING OFFICER. Without objection, so ordered.

(See Exhibit 1.)

Mr. MURKOWSKI. This article points out that ''Chinese officials have said they plan to use the remarks as a lever to force Taiwan into political talks on reunification.'' So let me make sure I understand this—the leader of the greatest democratic society in the history of mankind, has tacitly agreed to a policy which, in itself, undermines democracy. How and why is this possible? Because political expediency took the place of sound policy and support for one of our strongest allies in an increasingly unstable Asian Theater. Well, Mr. President, I am afraid that these developments may have simply added to the Asian uncertainty, rather than clarified it.

In agreeing to the ''Three Noes'', President Clinton has effectively stated that the United States will not support Taiwan independence even if Beijing agrees to it. Is this the message that was intended to be delivered? Think about it—the United States used to maintain the line that peaceful resolution was all that mattered because this in itself protected the rights of the 21 million people in Taiwan. If they could cut a deal with Beijing that allowed the two to go their separate ways, presumably our earlier policy would be fine with that. Personally, as the PRC becomes more open, I wouldn't rule out the possibility that an agreement could be reached. But President Clinton's remarks have ruled this possibility out—because the United States will not support an independent Taiwan. President Clinton just told the Chinese that they don't need to negotiate with Taiwan because so far as we are concerned an independent Taiwan is not an option.

Although most of my colleagues are not aware of this, there is a terrible contagion going through Taiwan right now—it is very similar to polio. Estimates are that up to one million people may be carrying this bug in some form or another, but it doesn't impact adults. Only the children. In fact, a number of children in Taiwan have died from this disease which, as I understand it, is exacerbated by the heat.

Well, Mr. President, Taiwan has applied for membership in the World Health Organization (WHO)—it is a national priority. But, even this application cannot proceed because membership in the WHO requires statehood. And that huge island off the coast of China, which we recognized officially from 1949 to 1979, doesn't have it. This is ridiculous, and it is about to get a lot worse. So, Taiwan is suffering from an epidemic which is killing children, and it can't get access from WHO specialists who might be able to help because Taiwan is not a sovereign government? Although the PRC has never controlled Taiwan, and despite the fact that Taiwan has developed a strong democracy and thriving, stable free market economy, it cannot particpate in the World Health Organization. Well, Mr. President, this seems yet another time when the facts somehow lose out to the politics.

Mr. President, we have made statements reiterating our support for Taiwan, but it is time for us to back them up. The Senate should pass S. Con. Resolution 30 calling on the Administration to support Taiwan's bid to take part in international organizations; and we should expand it to include the World Health Organization. We should take every opportunity in this body to force the issue, so that our commitment to Taiwan does not ring hollow as Beijing's steps up the pressure.

EXHIBIT 1

CHINA TELLS TAIWAN TO FACE REALITY—REUNIFICATION TALKS URGED

(By John Pomfret)

BEIJING, July 9—China urged Taiwan today to ''face reality'' and agree to talks on eventual reunification with China following comments by President Clinton that the United States will not support an independent Taiwan.

Taiwan, meanwhile, announced it had agreed to a visit by a senior Beijing negotiator to prepare for resumption of high-level dialogue between the two rivals, separated by the 100-mile-wide Taiwan Strait.

The developments indicate that after a three-year freeze, talks could begin as early as this fall between the two sides. They also underscore the important role the United States has played in forcing Taiwan to the bargaining table. Clinton's statement, during his recent nine-day trip to China, was taken as a significant defeat in Taiwan even though U.S. officials contended it was simply a reiteration of U.S. policy.

Clinton's June 30 remarks in Shanghai made clear the United States would not support any formal independence bid by the island of 21 million people, or a policy backing ''one China, one Taiwan,'' or ''two Chinas.'' Clinton also said the United States will oppose any Taiwanese bid to join international bodies that accept only sovereign states as members.

Although the policy was first enunciated in October, Clinton himself had never said it publicly before. Thus, it was taken as a major defeat in Taiwan, which relies on the United States for most of its political support and weapons. In Washington, Clinton's statement has drawn some criticism. On Tuesday, Senate Majority Leader Trent Lott (R-Miss.) called Clinton's remarks counterproductive, and he threatened unspecified congressional action.

The Beijing government, which views Taiwan as a renegade Chinese province, has said it is satisfied with Clinton's remarks, even though it had tried to have Clinton commit them to writing. Chinese officials have said they plan to use the remarks as a lever to force Taiwan into political talks on reunification. Taiwanese officials say they want to limit any new talks to specific issues, such as immigration, cross-border crime, fishing rights and protection of investments. China rejects this limited approach and insists a broader discussion of reunification is necessary for improved ties.

Taiwan and China ostensibly have been separated since 1895, when Japan occupied the island following its victory over Imperial China in the Sino-Japanese War. In 1949, Nationalist Chinese leader Chiang Kai-shek fled to Taiwan from the mainland after his forces lost a civil war to Chinese Communist forces led by Mao Zedong. Since then, the two sides have moved further away from each other—in both economic and political development.

In Beijing, Foreign Ministry spokesman Tang Guoqiang said Clinton's statement has ''positive implications for the resolution of the Taiwan question,'' and he added: ''We hope that Taiwan authorities will get a clear understanding of the situation, face reality and place importance on the national interest.

''Similarly, the official China Daily quoted one of Beijing's top negotiators with Taiwan as saying that Clinton's remarks had helped China. ''This has provided favorable conditions for the development of cross-strait relations,'' said Tang Shubei, vice president of the Association for Relations Across the Taiwan Strait. ''But cross-strait issues will ultimately be solved by the Chinese people.'' Meanwhile, that group's Taiwanese counterpart, the semi-official Straits Exchange Foundation, informed the Chinese association that its deputy secretary general, Li Yafei, could visit Taiwan July 24–31. Li's visit is to be followed by a reciprocal trip to China by the leader of the Taiwan foundation, Koo Chen-fu. In June, Beijing invited Koo to visit China sometime in September or October, and Koo said later he plans to go in mid-September.

In 1993, Koo and Chinese association leader Wang Daohan met in Singapore in a landmark gathering that signaled warming ties between the old rivals. But after two years of improving relations, the ties collapsed in 1995 when Taiwanese President Lee Teng-hui obtained a visa to visit the United States for the 25th reunion of his Cornell University class.

China launched a series of military exercises off the Taiwanese coast in 1995 and 1996, lobbing cruise missiles into the area. In 1996, the United States dispatched two aircraft carrier battle groups to the region as a warning to China not to contemplate a military solution.

RUTH E. CROXTON

Mr. MURKOWSKI. Mr. President, I have on my right an obituary. This obituary is very meaningful to the people of a small village in Alaska called King Cove.

Ruth E. Croxton, 29, was killed July 15, 1981, when her twin-engine plane crashed and burned on a hillside. The plane was on approach to the King Cove, Alaska airstrip—in what was called ''typical Aleutian weather.'' Five other people died in the accident, including the pilot, Ernest D. Fife.

Ms. Croxton was an anthropologist, a pilot, and a 1974 graduate of the University of Alaska-Fairbanks. Born in Salem, Ore., her family moved to Alaska when she was six years old. She was graduated from Juneau-Douglas High School in 1969.

Ms. Croxton and her pilot were bringing four cannery workers into King Cove but would have been evacuating a medical case once they reached the Aleutian village.

She is survived by Mr. and Mrs. Loren Croxton of Petersburg; a sister, Mary, of Barrow; and her maternal grandfather, William Older of Livermore, Calif.

Ms. Croxton died along with her passengers because there is no road between King Cove and Cold Bay.

How many more people must die before we do something about it?

I yield the floor.

(Mr. GRAMS assumed the Chair.)

DISPOSAL OF WEAPONS-GRADE PLUTONIUM

Mr. DOMENICI. Mr. President, 2 weeks ago, Senator ROD GRAMS and Senator FRED THOMPSON and I traveled to Russia, preceded by 3 days in France. Senator GRAMS accompanied me to France; Senator THOMPSON, on the Russian part of the trip. We went to France and Russia to do very distinct things. In France, we wanted to talk about nuclear power and the nuclear fuel cycle, and if I have time this afternoon I will address that. If not, I will do that on another day. I would like to proceed with what we went to Russia for and what we determined and what recommendations and thoughts I have that come from that trip.

Our primary goal when we went to Russia was to explore and develop options for the rapid disposition of Russian weapons-surplus plutonium. These materials represent a potential clear and present danger to the security of the United States and the world. The 50 tons that Russia has declared as surplus to their weapons program represents enough nuclear material for well over 5,000 nuclear weapons. Diversion of even small quantities of this material could fuel the nuclear weapons ambitions of many rogue nations and many nations in general.

During our visit, we discovered that there was a very critical window of opportunity during which the United States can address the proliferation risks of this stock of weapons-surplus plutonium. We have urged that the administration, our President and our Vice President, seize on this opportunity. No one can reliably predict how long this window will stay open. We must act while it is open.

Unclassified sources estimate that the United States and Russia currently have about 260 tons of plutonium—100 tons here and 160 tons in Russia. Much of this material is in classified weapons components which could be readily built into weapons.

While we saw significant ongoing progress on control of nuclear weapons in Russia, much of which was with the assistance of the United States of America through our national laboratories, our visit confirmed the dire economic conditions in their closed cities, the cities that they used to provide ample resources on a high priority because they were the source of their nuclear strength. These conditions fuel concerns of serious magnitude.

The United States has an immediate interest in ensuring that all Russian weapons-grade plutonium, as well as ours, as well as highly enriched uranium that is theirs and that is ours, is secure. Furthermore, Mr. President, as soon as possible, that material must be converted into unclassified forms that cannot be quickly reassembled into nuclear weapons. Then the materials must be placed in safeguarded storage.

These actions, plus a reduction in Russia's large nuclear weapons remanufacturing capability, are necessary precursors to future arms control limits on nuclear warhead numbers.

The United States and Russia have declared 50 tons of weapons-grade plutonium as surplus. Current administration plans have asked in the budget for Congress to proceed with a program to use 3 tons per year of our surplus as mixed oxide, generally referred to as MOX fuel, for commercial nuclear reactors, while the Russians are focused on a program that would not use much of their plutonium as MOX. The process that is going on of negotiating between America and Russia is that Russia would have only 1.3 tons converted.

So to summarize the concerns with the efforts thus far, I state the following with very grave concerns. No bilateral agreement is in place to control

each country's rate of weapons dismantlement, conversion into unclassified shapes, and storage under international safeguards. We were told by the Russians that they were moving faster than the United States in this regard. But we need adequate transparency to assure our citizens on this count.

The rates of MOX—mixed oxide—use that we propose and they propose are not equal and would in the long run exaggerate the larger Russian quantities. The planned mixed oxide use rate of Russian plutonium is so slow that it requires more than 30 years to dispose of the 50 tons that we have each declared to be surplus. The potential proliferation risk from this material exists as long as it is neither under international safeguards nor used in a reactor as MOX fuel. Thirty years is too long to wait for verifiable action on this material.

On our trip, we explored whether other European entities would help with MOX fabrication and use in order to assist in increasing the plutonium disposition rate: We did not find a receptive audience that would consider introduction of this weapons plutonium into the European nuclear economy, where it would upset their goal of balance within their civilian nuclear cycle between plutonium recovered from spent fuel and plutonium expended as MOX fuel.

We also discussed the French-German-Russian plan for relocation of a German MOX plant to Russia to provide their 1.3 ton capability. While the equipment and expertise are available, funding for this move has not been identified within the G–7 to date.

As additional information, we learned from the Russian Minister of Atomic Energy Adamov that he would prefer not to use their surplus weapons plutonium as MOX. Instead, he favors saving it for use in future generations of advanced reactors. We learned that MOX fabrication and use in Russia will occur only with Western funding of their MOX plant and compensation to encourage their use of MOX in present reactors.

The combination of Minister Adamov's vision combined with the economic situation in Russia provides an important opportunity to address mutual interests. I believe that he would support bilateral dismantlement of weapons, conversion from classified shapes to unclassified forms, and internationally verified storage. These steps must be accompanied by appropriate levels of transparency.

These initial steps could and should occur rapidly, with a target goal of 10 tons per year. I also believe that Russia would accept MOX disposition of their plutonium at the slow rate that is currently planned, leaving most of their plutonium in storage for their subsequent generations of reactors. The United States, as well as other G–7 countries, may have to help Russia with resources.

The program I've outlined would rapidly reduce potential threats from Russian surplus plutonium in a transparent and verifiable way. It could move far faster than our current program that focuses on immediate use of converted material in MOX fuel.

This new program would shift focus onto the rates of material involved in the steps preceding MOX fabrication and use. It would still continue with MOX use, at a slower pace than dismantlement, conversion, and safeguarded storage. The final move to MOX would remain part of an integrated disposition program. Minister Adamov strongly noted his views that use of the plutonium as MOX in reactors is the only credible final disposition route.

The United States has failed to fully appreciate the opportunity that exists to permanently reduce the threat posed by inventories of weapons-grade plutonium in Russia. Furthermore, the United States should not proceed with any unilateral program for disposition of our own weapons-surplus plutonium.

Leadership from the White House will be essential to ensure success. These issues should be prominently featured at the July Gore/Kiriyenko meeting and the September Clinton/Yeltsin summit. Mr. President, I intend to work with you and our Senate colleagues to pursue actions towards these initiatives.

One of our primary recommendations to President Clinton is that he designate a special envoy solely for the vital task of plutonium disposition in order to provide the full-time focused oversight and interagency coordination that is vital to achieving success. This envoy should also coordinate actions among the G–7 countries to ensure their participation in this challenge.

It is evident that efforts in this Administration towards plutonium disposition have not been marked by a suitable level of urgency, commitment and attention. Designation of this special envoy is essential to address this serious issue.

Finally, Mr. President, in our discussions within Russia, each Senator emphasized that many Russian actions are viewed in Congress as adding fuel to the fires of global weapons proliferation. We explained to our Russian hosts that Congressional concerns over their activities jeopardize the entire range of U.S.-Russia cooperative programs.

These strong expressions of interest and concerns, directly from U.S. Senators to Russian leaders, should provide a framework within which the Administration can negotiate bilateral agreements that address these proliferation risks and truly enhance global security.

I would just like to discuss with the Senate what went on in Russia, and further elaborate on the suggestions that I have. We were privileged to meet with the highest Russian officials who work in the area of atomic or nuclear reactors and nuclear weapons. In these meetings, I believe it was mutually understood that there is a reason to take 50 tons of plutonium that they have from weapons, and 50 tons that we have, and if we cannot agree, and if the world will not accommodate efficiently more tons being converted to MOX fuel for reuse in nuclear powerplants, that we should establish in each country a storage facility that is internationally monitored, subject to international controls in both countries, where we will place this plutonium in changed forms so that in this new form it will be, as far as possible from being usable for military purposes and bomb production.

What a gift we could make to the world if America and Russia could agree that, because of dismantlement—which is occurring, we have 50 tons of plutonium, and I have just told you the number of weapons it could produce if it was used again for nuclear weapons—that we could both say dismantling the weapons system is working. We agree with each other; we are going to have some abiding principles of transparency and control, and we are going to start to take this out of circulation.

There is one other item that came to our attention as we discussed this proposal. Some of us were familiar with the now-heralded Nunn-Lugar proposal, whereby the United States helped Russia with some of the problems that it had with nuclear proliferation commodities and storage of fissionable materials in their country. The history of Nunn-Lugar, although it recently is very successful, was that for a number of years it could not get off of center. It stayed kind of stuck because of the myriad of agency involvements and rules and regulations. Knowing of that, we recommend that a special envoy be appointed by the President to be in charge of this program of attempting to reach a bilateral agreement on getting rid of 50 tons of plutonium that could be reused for bombmaking.

So, in summary, the recommendations we make to our President and to our Vice President as they begin to work anew with Russia are as I have described them. Frankly, we believe, the three of us—and one of the three is the occupant of the Chair who attended the entire visit to France and Russia with reference to nuclear energy and nuclear weapons—we recommend that the President engage with and quickly reach agreement with the Russians on the disposition of 50 tons of plutonium; and that we commit, likewise, from our side, that this ultimately be done in a fashion whereby what cannot be turned, through MOX fuel, to a substance that cannot be used for bombs, that the remainder be changed in shapes and forms, but that the storage be monitored by international controls and international bodies so as to account for its safekeeping, and getting it out of circulation as potential use for nuclear weapons.

In that regard, we have written to the President of the United States. The

letter which we wrote, I ask unanimous consent to have printed in the RECORD, and I ask a similar letter to the Vice President receive similar treatment. The detailed letter that we prepared to the Assistant to the President for National Security Affairs, the Honorable Sandy Berger, which was transmitted to the President and the Vice President—I ask unanimous consent that all those be printed in the RECORD so any Senator trying to further assess what we are recommending will have a full display in front of that Senator of the various proposals and ideas.

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

U.S. SENATE,
Washington, DC, July 14, 1998.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We recently traveled to Russia to explore serious proliferation risks associated with Russian surplus weapons plutonium. We urge that you seize a critical opportunity that we found to dramatically reduce Russian stocks of this material. We recommend that this opportunity be carefully considered in the upcoming Presidential Summit and in the Vice President-Prime Minister meeting.

Your leadership will be essential to achieve success in this key area. We will aggressively pursue this issue within the U.S. Senate. We recommend that you appoint a special envoy solely focused on oversight of these disposition efforts to whom you delegate your authority to provide coordination across the multiple agencies involved in a final solution and to develop an integrated G–7 approach to these issues.

The attached letter to your National Security Advisor, Mr. Sandy Berger, outlines details of our concerns with weapons-surplus plutonium and the current opportunity.

A closely related non-proliferation opportunity arose in our meetings that also deserves your attention. We expressed serious reservations about Russian export of nuclear technologies to nations like India and Iran. In addition to nuclear reactor sales to Iran, serious questions have been raised as to whether or not Russia is complying with its commitments with regard to uranium enrichment technology transfers. Also, reports persist that Russian companies are supplying equipment and materials for the design and manufacture of ballistic missiles. In addition, Russia has rejected our export control assistance.

Minister Adamov, of the Russian Ministry of Atomic Energy, discussed their strong concerns with proliferation of nuclear technologies and sought to assure us that any actions on behalf of the Russian government were consistent with the Non-Proliferation Treaty (NPT).

We discussed with Minister Adamov creation of a Commission to review nuclear export activities of signatories to the NPT for potential proliferation impact. It was suggested that such a Commission could evaluate specific cases, as well as review the structure of the NPT to ensure that its formulation adequately addresses modern international proliferation challenges. We recommend that you pursue this suggestion in your meetings, as well as reiterating that Russia must make major improvements with regard to the export of nuclear technologies and technologies of mass destruction.

As we discussed Russian activities that can fuel proliferation of nuclear weapons, we emphasized that Congressional concerns over these activities jeopardize the entire range of U.S.-Russian cooperative programs. We suggest that you reinforce the gravity of these concerns and potential consequences in your meetings.

Our visits within Russia served to indicate the interest and concern of the Legislative Branch on these critical proliferation issues. We urge that your future interactions with Russia build upon this foundation.

Sincerely,

PETE V. DOMENICI.
FRED THOMPSON.
ROD GRAMS.

U.S. SENATE,
Washington, DC, July 14, 1998.

The VICE-PRESIDENT,
The White House, Washington, DC.

DEAR MR. VICE-PRESIDENT: We recently traveled to Russia to explore serious proliferation risks associated with Russian surplus weapons plutonium. We urge that you seize a critical opportunity that we found to dramatically reduce Russian stocks of this material. We recommend that this opportunity be carefully considered in the upcoming Presidential Summit and in the Vice President-Prime Minister meeting.

Your leadership will be essential to achieve success in this key area. We will aggressively pursue this issue within the U.S. Senate. We recommend that you appoint a special envoy solely focused on oversight of these disposition efforts to whom you delegate your authority to provide coordination across the multiple agencies involved in a final solution and to develop an integrated G–7 approach to these issues.

The attached letter to your National Security Advisor, Mr. Sandy Berger, outlines details of our concerns with weapons-surplus plutonium and the current opportunity.

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Our visits within Russia served to indicate the interest and concern of the Legislative Branch on these critical proliferation issues. We urge that your future interactions with Russia build upon this foundation.

Sincerely,

PETE V. DOMENICI.
FRED THOMPSON.
ROD GRAMS.

U.S. SENATE,
Washington, DC, July 14, 1998.

Hon. SANDY BERGER,
Assistant to the President for National Security Affairs, The National Security Council, The White House, Washington, DC.

DEAR MR. BERGER: Our recent visit to Russia uncovered a critical window of opportunity during which the United States can address the proliferation risks of weapons-surplus plutonium. We urge that the Administration seize the opportunity.

Unclassified sources estimate that the United States and Russia currently have about 260 tons of such plutonium; 100 tons here and 160 tons in Russia. Much of this material is in classified weapons components, which could be readily rebuilt into weapons. This material could be a significant threat to the national security of the United States.

While we saw significant ongoing progress on control of nuclear materials in Russia, our visit confirmed the dire economic conditions in their closed cities. These conditions fuel concerns of serious magnitude.

We believe that the United States has an immediate interest in ensuring that all Russian weapons-grade plutonium, as well as their highly enriched uranium, is secure. Furthermore, as soon as possible, that material must be converted to unclassified forms that cannot be quickly re-assembled into nuclear weapons. We believe that conversion of that material and its placement in safeguarded storage, plus a reduction in Russia's nuclear weapons re-manufacturing capability to bring it more in line with our current capability, are necessary precursors to future arms control limits on nuclear warhead numbers.

The United States and Russia have each declared 50 tons of weapons-surplus plutonium as excess. Current Administration plans call for a U.S. program to use 3 tons per year as mixed oxide (or MOX) fuel for commercial nuclear reactors, while the Russians are focused on a program that would initially use only 1.3 tons per year as MOX.

To summarize our major concerns with the Russian efforts (while recognizing that bilateral progress is essential to enable progress):

No bilateral agreement is in place to control each country's rate of weapons dismantlement, conversion into unclassified shapes, and storage under international safeguards. We were told that Russia is moving faster than the U.S. in this regard, but we need adequate transparency to assure our citizens on this.

The rates of MOX use are not equal, and only exaggerate the larger Russian quantities.

The planned MOX use rate of Russian plutonium is so slow that it requires more than 30 years to dispose of the 50 tons they have declared to be surplus. The potential proliferation risk from this material exists as long as it is neither under international safeguards nor used in a reactor as MOX fuel. Thirty years is too long to wait for verifiable action on this material.

On our trip, we explored whether other European entities would assist with MOX fabrication and use to increase the planned disposition rates. We did not find a receptive audience that would consider introduction of this weapons plutonium into the European nuclear economy, where it would upset their goal of balance within their civilian nuclear

cycle between plutonium recovered from spent fuel and plutonium expended as MOX fuel.

We also discussed the French-German-Russian evaluation of relocation of a German MOX plant to Russia to provide their 1.3 ton capability. While the equipment and expertise are available, funding for this move has not been identified within the G–7 to date.

As additional information, we learned from the Russian Minister of Atomic Energy Adamov that he would prefer not to use their surplus weapons plutonium as MOX. Instead, he favors saving it for use in future generations of advanced reactors. We learned that MOX fabrication and use in Russia will occur only with Western funding of their MOX plant and compensation to encourage their use of MOX in present reactors.

However, we believe that he would support bilateral dismantlement of weapons, conversion from classified shapes to unclassified forms, and internationally verified storage (for Russia, at their Mayak facility). These steps must be accompanied by appropriate levels of transparency. These initial steps could and should occur rapidly, with a target goal of 10 tons per year. We also believe that Russia would support MOX disposition of their plutonium at the slow rate that is currently planned, leaving most of their plutonium in storage for their subsequent generations to reactors. We recognize that the United States, as well as other G–7 countries, may have to help Russia with resources.

The program we outline would rapidly reduce potential threats from Russian surplus plutonium in a transparent and verifiable way. It could move far faster than our current program that focuses on immediate use of converted material in MOX fuel, by shifting the program focus to the rates of material involved in the steps preceding MOX fabrication and use. And it would still proceed with MOX use, at a slower pace than the dismantlement, conversion, and safeguarded storage. The final use as MOX must remain part of an integrated disposition program; certainly Minister Adamov notes that use of the plutonium in reactors is the only credible disposition route.

We believe that the United States has failed to fully appreciate the opportunity that exists to permanently reduce the threat posed by inventories of weapons-grade plutonium in Russia. We also believe that the United States should hot proceed with any unilateral program for disposition of our own weapons-surplus plutonium.

We intend to aggressively pursue these initiatives within the Senate. Leadership from the White House will be essential to ensure success. We further recommend that these issues be prominently featured at the July Gore/Kiriyenko meeting and the September Clinton/Yeltsin summit.

In addition, we have recommended to the President that he appoint a special envoy solely focused on oversight of this disposition program to whom is delegated authority to provide coordination across the multiple agencies involved in a a final solution and to further coordinate G–7 actions on this issue. We believe that this problem is of sufficient national and global urgency to justify this appointment in the very near future.

Sincerely,

PETE V. DOMENICI.
FRED THOMPSON.
ROD GRAMS.

Mr. DOMENICI. Then, Mr. President, Senator GRAMS of Minnesota, Senator THOMPSON of Tennessee, and myself have written a letter to all of our colleagues on both sides of the aisle, whereby we have once again summarized this situation that we find, this hope that we have that our President will pursue negotiations and quickly arrive at a bilateral agreement to give the world a gift, a present that says: We are now going to get rid of a huge portion of the dismantlement surpluses that can still be used in the future for nuclear bombs, ridding our world of that potential.

We ask that our colleagues read our suggestions, and that they, too, become interested in this proposal.

I ask unanimous consent that letter be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, July 15, 1998.

DEAR COLLEAGUE: The primary goal of our recent visit to Russia was to explore and develop options for rapid disposition of Russian weapons surplus plutonium. These materials represent a potential clear and present danger to the security of the United States and the world. The 50 tons that Russia has declared as surplus to their weapons program represent enough material for well over 5,000 nuclear weapons. Diversion of even small quantities of this material could fuel the nuclear weapons ambitions of may rogue states.

During our visit, we uncovered a critical window of opportunity during which the United States can address the proliferation risks of weapons-surplus plutonium. We have urged the Administration to seize the opportunity. No one can reliably predict how long this window will stay open. We must act while it is open.

Unclassified sources estimate that the United States and Russia currently have about 260 tons of such plutonium; 100 tons here and 160 tons in Russia. Much of this material is in classified weapons components, which could be readily rebuilt into weapons.

While we saw significant ongoing progress on control of nuclear materials in Russia, our visit confirmed the dire economic conditions in their closed cities. These conditions fuel concerns of serious magnitude.

We believe that the United States has an immediate interest in ensuring that all Russian weapons-grade plutonium, as well as their highly enriched uranium, is secure. Furthermore, as soon as possible, that material must be converted to unclassified forms that cannot be quickly re-assembled into nuclear weapons. We believe that conversion of that material and its placement in safeguarded storage, plus a reduction in Russia's nuclear weapons re-manufacturing capability to bring it more in line with our current capability, are necessary precursors to future arms control limits on nuclear warhead numbers.

The United States and Russia have each declared 50 tons of weapons-grade plutonium as surplus. Current Administration plans call for a U.S. program to use 3 tons per year as mixed oxide (or MOX) fuel for commercial nuclear reactors, while the Russians are focused on a program that would initially use only 1.3 tons per year as MOX.

To summarize our major concerns with the Russian efforts (while recognizing that bilateral progress is essential to enable progress):

No bilateral agreement is in place to control each country's rate of weapons dismantlement, conversion into unclassified shapes, and storage under international safeguards. We were told that Russia is moving faster than the U.S. in this regard, but we need adequate transparency to assure our citizens on this.

The rates of MOX use are not equal, and only exaggerate the larger Russian quantities.

The planned MOX use rate of Russian plutonium is so slow that it requires more than 30 years to dispose of the 50 tons they have declared to be surplus. The potential proliferation risk from this material exists as long as it is neither under international safeguards nor used in a reactor as MOX fuel. Thirty years is too long to wait for verifiable action on this material.

On our trip, we explored whether other European entities would help with MOX fabrication and use in order to assist with increasing the plutonium disposition rates. We did not find a receptive audience that would consider introduction of this weapons plutonium into the European nuclear economy, where it would upset their goal of balance within their civilian nuclear cycle between plutonium recovered from spent fuel and plutonium expended as MOX fuel.

We also discussed the French-German-Russian plan for relocation of a German MOX plan to Russia to provide their 1.3 ton capacity. While the equipment and expertise are available, funding for this move has not been identified within the G–7 to date.

As additional information, we learned from the Russian Minister of Atomic Energy Adamov that he would prefer not to use their surplus weapons plutonium as MOX. Instead, he favors saving it for use in future generations of advanced reactors. We learned that MOX fabrication and use in Russia will occur only with Western funding of their MOX plant and compensation to encourage their use of MOX in present reactors.

We believe, however, that he would support bilateral dismantlement of weapons, conversion from classified shapes to unclassified forms, and internationally verified storage (for Russia, at their Mayak facility). These steps must be accompanied by appropriate levels of transparency. These initial steps could and should occur rapidly, with a target goal of 10 tons per year. We also believe that Russia would support MOX disposition of their plutonium at the slow rate that is currently planned, leaving most of their plutonium in storage for their subsequent generations of reactors. We recognize that the United States, as well as other G–7 countries, may have to help Russia with resources.

The program we outline would rapidly reduce potential threats from Russian surplus plutonium in a transparent and verifiable way. It could move far faster than our current program that focuses on immediate use of converted material in MOX fuel, by shifting the program focus to the rates of material involved in the steps preceding MOX fabrication and use. And it would still proceed with MOX use, at a slower pace than the dismantlement, conversion, and safeguarded storage. The final move to MOX must remain part of an integrated disposition program. Minister Adamov strongly noted that, in his view, use of the plutonium as MOX in reactors is the only credible disposition route.

We believe that the United States has failed to fully appreciate the opportunity that exists to permanently reduce the threat posed by inventories of weapons-grade plutonium in Russia. We also believe that the United States should not proceed with any unilateral program for disposition of our own weapons-surplus plutonium.

We will aggressively pursue these initiatives within the Senate. Leadership from the White House will be essential to ensure success. We further recommend that these issues be prominently featured at the July Gore/Kiriyenko meeting and the September Clinton/Yeltsin summit.

We have recommended to the President that he designate a special envoy solely for

this vital task to provide the full-time focused oversight and interagency coordination that is vital to achieving success. Efforts to date towards plutonium disposition in this country have not been marked by a suitable level of commitment and attention within the Administration. Progress on this vital area of national security will not occur short of this action.

Finally, in our discussions within Russia, each Senator emphasized that many Russian actions are viewed in Congress as adding fuel to the fires of global weapons proliferation. We expressed serious reservations about Russian export of nuclear technologies to nations like India and Iran. In addition to nuclear reactor sales to Iran, serious questions have been raised as to whether or not Russia is complying with its commitments with regard to uranium enrichment technology transfers. Also, reports persist that Russian companies are supplying equipment and materials for the design and manufacture of ballistic missiles. In addition, Russia has rejected our export control assistance. We explained to our Russian hosts that Congressional concerns over their activities jeopardize the entire range of U.S.-Russian cooperative programs.

Our visits within Russia served to indicate the interest and concern of the Legislative Branch on these critical proliferation issues. We have urged the Administration to structure future interactions with Russia that built upon our efforts.

Sincerely,

PETE V. DOMENICI.
FRED THOMPSON.
ROD GRAMS.

Mr. DOMENICI. Mr. President, I will follow this up next week, and perhaps my friend who occupies the Chair could join me that day, because the first part of our visit was a visit to France, ultimately to Germany, to talk about the nuclear power fuel cycle. I want, next week, to go into some detail as to how well the French people and the French Government are handling nuclear power, and how poorly we have handled that issue in America. Just to whet one's appetite about what we visited and what we will be talking about, let me just say the country of France gets 80 percent of its power from nuclear powerplants—80 percent. It is the cleanest country, in terms of emissions. It is the least contributor to atmospheric pollution, which many in our country and around the world are concerned is causing global warming, because they don't burn any coal, they don't burn any oil. They produce most of their electricity from nuclear power.

Isn't it interesting that they do not seem to be afraid? They have had no accidents of any consequence whatsoever. And we in America, who started this great technology, invented it, had the companies that were best at it—we sit idly by and claim we want to rid the atmosphere of the pollutants that might cause global warming and we essentially, through regulation and otherwise, have eliminated the prospect of nuclear power for some time in the United States. We will speak about that in more detail later.

Mr. President, with reference to completing the Senate's business and then letting my good friend Senator JEFFORDS proceed with his speech as in morning business, I am going to proceed with the wrapup, which will include a privilege to the Senator to continue even after we have finished.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 16, 1998, the federal debt stood at $5,531,079,562,651.15 (Five trillion, five hundred thirty-one billion, seventy-nine million, five hundred sixty-two thousand, six hundred fifty-one dollars and fifteen cents).

One year ago, July 16, 1997, the federal debt stood at $5,357,954,000,000 (Five trillion, three hundred fifty-seven billion, nine hundred fifty-four million).

Five years ago, July 16, 1993, the federal debt stood at $4,334,093,000,000 (Four trillion, three hundred thirty-four billion, ninety-three million).

Twenty-five years ago, July 16, 1973, the federal debt stood at $455,344,000,000 (Four hundred fifty-five billion, three hundred forty-four million) which reflects a debt increase of more than $5 trillion—$5,075,735,562,651.15 (Five trillion, seventy-five billion, seven hundred thirty-five million, five hundred sixty-two thousand, six hundred fifty-one dollars and fifteen cents) during the past 25 years.

DELAY IN SENATE ACTION ON JUDGE SOTOMAYOR AND OTHER JUDICIAL NOMINATIONS

Mr. LEAHY. Mr. President, I welcome the recent statement of the distinguished Senior Senator from New York on the nomination of Judge Sonia Sotomayor last Friday, July 10. I have been concerned for several months that consideration of this nomination was being unnecessarily delayed. I am encouraged that Senator MOYNIHAN's evaluation of this judicial nomination for the longstanding vacancy in the Second Circuit is similar to mine.

I know that the Senator from New York support this nomination and recall his statement of support to the Judiciary Committee at her hearing back in September 1997, almost 10 months ago.

I appreciated his joining with me and all the Senators from States within the Second Circuit when we wrote to the Majority Leader on April 9, 1998 urging ''prompt and favorable action on the nomination of Judge Sonia Sotomayor.'' We noted then the extraordinary action that had to be taken by the Chief Judge of our Circuit due to the vacancies crisis plaguing the Circuit. Since March 23, he has had to cancel hearings and proceed with 3-judge appellate panel that contain only one Second Circuit judge. Indeed, Chief Judge Winter has had to issue such orders in connection with matters heard this week.

Judge Sonia Sotomayor is a well-qualified nominee. She was reportedly being held up by someone on the Republican side of the aisle because of speculation that she might be nominated this month by President Clinton to the United States Supreme Court. Last month a column in The Wall Street Journal discussed this secret basis for the Republican hold against this fine judge. The Journal revealed that this delay was intended to ensure that Sonia Sotomayor was not nominated to the Supreme Court. That was confirmed by a report in The New York Times on June 13.

How disturbing and how shameful. I am offended by this anonymous effort to oppose her prompt confirmation by stealth tactics. Here is a highly-qualified Hispanic woman judge who should have been confirmed to help end the crisis in the Second Circuit more than four months ago.

Judge Sotomayor rose from a housing project in the Bronx to Princeton, Yale and a federal court appointment by President Bush. She is strongly supported by the Senator from New York and has had bipartisan support.

The excuse that had been used to delay consideration of her nomination has been removed. Perhaps now that the Supreme Court term has ended and Justice Stevens has not resigned, the Senate will proceed to consider Judge Sotomayor's nomination to the Second Circuit on its merits and confirm her without additional, unnecessary delay. There is no vacancy on the Supreme Court. The nominee has been held hostage over four months on the Senate calendar. It is past time to consider and confirm this nomination to fill a judicial emergency vacancy on the Second Circuit.

Unfortunately, this past weekend the Republican Leader of the United States Senate indicated on television that he has decided to move all nominations to the ''back burner.'' A spokesperson for the Republican Leader indicated that the Senate will not be considering any more nominations this year. That is wrong. I hope that the Republican leadership of the Senate will reverse itself and proceed to consider the nomination of Judge Sotomayor and those of all 10 judicial nominations now stalled on the Senate calendar.

In his annual report on the judiciary this year on New Year's Day, the Chief Justice of the United States Supreme Court observed: ''Some current nominees have been waiting a considerable time for a Senate Judiciary Committee vote or a final floor vote. The Senate confirmed only 17 judges in 1996 and 36 in 1997, well under the 101 judges it confirmed in 1994.'' He went on to note: ''The Senate is surely under no obligation to confirm any particular nominee, but after the necessary time for inquiry it should vote him up or vote him down.'' I would add vote her up or vote her down.

Acting to fill judicial vacancies is a constitutional duty that the Senate—and all of its members—are obligated to fulfill. In its unprecedented slowdown in the handling of nominees in the 104th and 105th Congresses, the Senate is shirking its duty. This is wrong and should end.

Today is the anniversary of the Judiciary Act of 1789. Pursuant to its constitutional responsibilities, the Senate gave meaning to the provisions of article III of our Constitution and established the lower federal courts as a means to implement the exercise of the judicial power of the United States. That was an historic act and created the foundation for our federal court system. The Senate was led in that effort by a Senator from what is now the Second Circuit, Senator Oliver Ellsworth of Connecticut.

Likewise, when the Senate established the Judiciary Committee 27 years later, it was first chaired by a Senator from the Second Circuit, Senator Dudley Chase of Vermont.

It is sadly ironic that on this the 209th anniversary of the Judiciary Act of 1789, when the Second Circuit needs the Senate's help, the Senate majority is, instead, holding off taking action on a qualified nominee without explanation or justification.

The Senate should consider the nomination of Judge Sonia Sotomayor to the Second Circuit without further delay.

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.)

REPORT OF THE EXECUTIVE ORDER BLOCKING GOVERNMENT PROPERTY AND PROHIBITING TRANSACTIONS WITH THE FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO)—MESSAGES FROM THE PRESIDENT—PM 144

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

On May 30, 1992, by Executive Order 12808, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. President Bush took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro) (the ''FRY (S&M)''), by Executive Orders 12810 and 12831, issued on June 5, 1992, and January 15, 1993, respectively.

On April 25, 1993, I issued Executive Order 12846, blocking the property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the FRY (S&M), and prohibiting trade-related transactions by United States persons involving those areas of the Republic of Bosnia and Herzegovina controlled by the Bosnian Serb forces and the United Nations Protected Areas in the Republic of Croatia. On October 25, 1994, because of the actions and policies of the Bosnian Serbs, I expanded the scope of the national emergency by issuance of Executive Order 12934 to block the property of the Bosnian Serb forces and the authorities in the territory that they controlled within the Republic of Bosnia and Herzegovina, as well as the property of any entity organized or located in, or controlled by any person in, or resident in, those areas.

On November 22, 1995, the United Nations Security Council passed Resolution 1022 (''Resolution 1022''), immediately and indefinitely suspending economic sanctions against the FRY (S&M). Sanctions were subsequently lifted by the United Nations Security Council pursuant to Resolution 1074 on October 1, 1996. Resolution 1022, however, continues to provide for the release of funds and assets previously blocked pursuant to sanctions against the FRY (S&M), provided that such funds and assets that are subject to claims and encumbrances, or that are the property of persons deemed insolvent, remain blocked until ''released in accordance with applicable law.'' This provision was implemented in the United States on December 27, 1995, by Presidential Determination No. 96–7. The determination, in conformity with Resolution 1022, directed the Secretary of the Treasury, *inter alia*, to suspend the application of sanctions imposed on the FRY (S&M) pursuant to the above-referenced Executive Orders and to continue to block property previously blocked until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initiated by the parties in Dayton on November 21, 1995 (the ''Peace Agreement'') and signed in Paris on December 14, 1995. The sanctions imposed on the FRY (S&M) and on the United Nations Protected Areas in the Republic of Croatia were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnian Serb forces and authorities and on the territory that they controlled within the Republic of Bosnia and Herzegovina were subsequently suspended prospectively, effective May 10, 1996, in conformity with Resolution 1022. On October 1, 1996, the United Nations passed Resolution 1074, terminating U.N. sanctions against the FRY (S&M) and the Bosnian Serbs in light of the elections that took place in Bosnia and Herzegovina on September 14, 1996. Resolution 1074, however, reaffirms the provisions of Resolution 1022 with respect to the release of blocked assets, as set forth above.

The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and covers the period from November 30, 1997, through May 29, 1998. It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order 12808 as expanded with respect to the Bosnian Serbs in Executive Order 12934, and against the FRY (S&M) contained in Executive Orders 12810, 12831, and 12846.

1. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) and the expansion of that national emergency under the same authorities was reported to the Congress on October 25, 1994. The additional sanctions set forth in related Executive orders were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act (22 U.S.C. 287c).

2. The Office of Foreign Assets Control (OFAC), acting under authority delegated by the Secretary of the Treasury, implemented the sanctions imposed under the foregoing statutes in the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 C.F.R. Part 585 (the ''Regulations'').

To implement Presidential Determination No. 96–7, the Regulations were amended to authorize prospectively all transactions with respect to the FRY (S&M) otherwise prohibited (61 *FR* 1282, January 19, 1996). Property and interests in property of the FRY (S&M) previously blocked within the jurisdiction of the United States remain blocked, in conformity with the Peace Agreement and Resolution 1022, until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia.

On May 10, 1996, OFAC amended the Regulations to authorize prospectively all transactions with respect to the Bosnian Serbs otherwise prohibited, except with respect to property previously blocked (61 *FR* 24696, May 16, 1996). On December 4, 1996, OFAC amended Appendices A and B to 31 chapter V, containing the names of entities and individuals in alphabetical order and by location that are subject to the various economic sanctions programs administered by OFAC, to remove the entries for individuals and entities that were determined to be acting for or on behalf of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro). These assets were blocked on the basis of these persons' activities in support of the FRY (S&M)—activities no longer prohibited—not because the Government of the FRY (S&M) or entities located in or controlled from the FRY (S&M) had any interest in those assets (61 *FR* 64289, December 4, 1996).

On April 18, 1997, the Regulations were amended by adding a new Section 585.528, authorizing all transactions after 30 days with respect to the following vessels that remained blocked pursuant to the Regulations, effective at 10:00 a.m. local time in the location of the vessel on May 19, 1997: the M/V MOSLAVINA, M/V ZETA, M/V LOVCEN, M/V DURMITOR and M/V BAR (a/k/a M/V INVIKEN) (62 *FR* 19672, April 23, 1997). During the 30-day period, United States persons were authorized to negotiate settlements of their outstanding claims with respect to the vessels with the vessels' owners or agents and were generally licensed to seek and obtain judicial warrants of maritime arrest. If claims remained unresolved 10 days prior to the vessels' unblocking (May 8, 1997), service of the warrants could be effected at that time through the United States Marshal's Office in the district where the vessel was located to ensure that U.S. creditors of a vessel had the opportunity to assert their claims. Appendix C to 31 CFR, chapter V, containing the names of vessels blocked pursuant to the various economic sanctions programs administered by OFAC (61 FR 32936, June 26, 1996), was also amended to remove these vessels from the list effective May 19, 1997. There have been no amendments to the Regulations since my report of December 3, 1997.

3. Over the past 2 years, the Departments of State and the Treasury have worked closely with European Union member states and other U.N. member nations to implement the provisions of Resolution 1022. In the United States, retention of blocking authority pursuant to the extension of a national emergency provides a framework for administration of an orderly claims settlement. This accords with past policy and practice with respect to the suspension of sanctions regimes.

4. During this reporting period, OFAC issued two specific licenses regarding transactions pertaining to the FRY (S&M) or property in which it has an interest. Specific licenses were issued (1) to authorize U.S. creditors to exchange a portion of blocked unallocated FRY (S&M) debt obligations for the share of such obligations assumed by the obligors in the Republic of Bosnia and Herzegovina; and (2) to authorize certain financial transactions with respect to blocked funds located at a foreign branch of a U.S. bank.

During the past 6 months, OFAC has continued to oversee the maintenance of blocked FYR (S&M) accounts and records with respect to: (1) liquidated tangible assets and personalty of the 15 blocked U.S. subsidiaries of entities organized in the FRY (S&M); (2) the blocked personalty, files, and records of the two Serbian banking institutions in New York previously placed in secure storage; (3) remaining blocked FRY (S&M) tangible property, including real estate; and (4) the 5 Yugoslav-owned vessels recently unblocked in the United States.

On September 29, 1997, the United States filed Statements of Interest in cases being litigated in the Southern District of New York: *Beogradska Banka A.D. Belgrade* v. *Interenergo, Inc.*, 97 Civ. 2065 (JGK): and *Jugobanka A.D. Belgrade* v. *U.C.F. International Trading, Inc. et al.*, 97 Civ. 3912, 3913 and 6748 (LAK). These cases involve actions by blocked New York Serbian bank agencies and their parent offices in Belgrade, Serbia, to collect on defaulted loans made prior to the imposition of economic sanctions and dispensed, in one case, to the U.S. subsidiary of a Bosnian firm and, in the other cases, to various foreign subsidiaries of a Slovenian firm. Because these loan receivables are a form of property that was blocked prior to December 27, 1995, any funds collected as a consequence of these actions would remain blocked and subject to United States jurisdiction. Defendants asserted that the loans had been made from the currency reserves of the central bank of the former Yugoslavia to which all successor states had contributed, and that the loan funds represent assets of the former Yugoslavia and are therefore subject to claims by all five successor states. The Department of State, in consultation with the Department of the Treasury, concluded that the collection of blocked receivables through the actions by the bank and the placement of those collected funds into a blocked account did not prejudice the claims of successor states nor compromise outstanding claims on the part of any creditor of the bank, since any monies collected would remain in a blocked status and available to satisfy obligations to United States and foreign creditors and other claimants—including possible distribution to successor states under a settlement arising from the negotiations on the division of assets and liabilities of the former Yugoslavia. On March 31, 1998, however, the Court dismissed the claims as nonjustifiable. Another case, *D.C. Precision, Inc.* v. *United States, et al.*, 97 Civ. 9123 CRLC, was filed in the Southern District of New York on December 10, 1997, alleging that the Government had improperly blocked Precision's funds held at one of the closed Serbia banking agencies in New York.

5. Despite the prospective authorization of transactions with the FRY (S&M), OFAC has continued to work closely with the U.S. Customs Service and other cooperating agencies to investigate alleged violations that occurred while sanctions were in force. On February 13, 1997, a Federal grand jury in the Southern District of Florida, Miami, returned a 13-count indictment against one U.S. citizen and two nationals of the FRY (S&M). The indictment charges that the subjects participated and conspired to purchase three Cessna propeller aircraft, a Cessna jet aircraft, and various aircraft parts in the United States and to export them to the FRY (S&M) in violation of U.S. sanctions and the Regulations. Timely interdiction action prevented the aircraft from being exported from the United States.

Since my last report, OFAC has collected one civil monetary penalty totaling nearly $153,000 for violations of the sanctions. These violations involved prohibited payments to the Government of the FRY (S&M) by a U.S. company.

6. The expenses incurred by the Federal Government in the 6-month period from November 30, 1997, through May 29, 1998, that are directly attributable to the declaration of a national emergency with respect to the FRY (S&M) and the Bosnian Serb forces and authorities are estimated at approximately $360,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in OFAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, and the Department of Commerce.

7. In the last 2 years, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. Resolution 1074 terminates sanctions in view of the first free and fair elections to occur in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement. In reaffirming Resolution 1022, however, Resolution 1074 contemplates the continued blocking of assets potentially subject to conflicting claims and encumbrances until provision is made to address them under applicable law, including claims of the other successor states of the former Yugoslavia. The resolution of the crisis and conflict in the former Yugoslavia that has resulted from the actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and of the Bosnian Serb forces and the authorities in the territory

that they controlled, will not be complete until such time as the Peace Agreement is implemented and the terms of Resolution 1022 have been met. Therefore, I have continued for another year the national emergency declared on May 30, 1992, as expanded in scope on October 25, 1994, and will continue to enforce the measures adopted pursuant thereto.

I shall continue to exercise the powers at my disposal with respect to the measures against the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and the Bosnian Serb forces, civil authorities, and entities, as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 16, 1998*.

REPORT CONCERNING THE EMIGRATION LAWS AND POLICIES OF ALBANIA—MESSAGE FROM THE PRESIDENT—PM 145

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

I am submitting an updated report to the Congress concerning the emigration laws and policies of Albania. The report indicates continued Albanian compliance with U.S. and international standards in the area of emigration. In fact, Albania has imposed no emigration restrictions, including exit visa requirements, on its population since 1991.

On December 5, 1997, I determined and reported to the Congress that Albania is not in violation of the freedom of emigration criteria of sections 402 and 409 of the Trade Act of 1974. That action allowed for the continuation of most-favored-nation (MFN) status for Albania and certain other activities without the requirement of an annual waiver. This semiannual report is submitted as required by law pursuant to the determination of December 5, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 16, 1998*.

MESSAGES FROM THE HOUSE

At 11:15 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3267. An act to direct the Secretary of the Interior, acting through the Bureau of Reclamation, to conduct a feasibility study and construct a project to reclaim the Salton Sea.

H.R. 3682. An act to amend title 18, United States Code, to prohibit taking minors across State lines to avoid laws requiring the involvement of parents in abortion decisions.

H.R. 3731. An act to designate the auditorium located within the Sandia Technology Transfer Center in Albuquerque, New Mexico, as the ''Steve Schiff Auditorium.''

H.R. 4104. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes.

The message also announced that the House agrees to the Senate amendments to the House amendments to the bill (S. 318) to require automatic cancellation and notice of cancellation rights with respect to private mortgage insurance which is required as a condition for entering into a residential mortgage transaction, to abolish the Thrift Depositor Protection Oversight Board, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

H.R. 3156. An act to present a congressional gold medal to Nelson Rolihlahla Mandela.

H.R. 1273. An act to authorize appropriations for fiscal years 1998 and 1999 for the National Science Foundation, and for other purposes.

H.R. 2870. An act to amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests.

The enrolled bills were signed subsequently by the President pro tempore (Mr. THURMOND).

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times, and ordered placed on the calendar:

H.R. 4104. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6078. A communication from the Executive Director of the Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of additions to the Committee's Procurement List dated June 29, 1998; to the Committee on Governmental Affairs.

EC–6079. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''Study of Full-Day, Full-Year Head Start Services''; to the Committee on Labor and Human Resources.

EC–6080. A communication from the Secretary of the United States Naval Sea Cadet Corps, transmitting, pursuant to law, the Annual Audit Report of the Naval Sea Cadet Corps for calendar year 1997; to the Committee on the Judiciary.

EC–6081. A communication from the Chairman and Chief Executive Officer of the Farm Credit Administration, transmitting, pursuant to law, the report of a rule regarding capital adequacy and related regulations (RIN3052–AB58) received on July 16, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6082. A communication from the Chief of Staff of the Office of the Commissioner of Social Security, transmitting, pursuant to law, the report of a rule entitled ''Administrative Review Process; Prehearing Proceedings and Decisions by Attorney Advisors; Extension of Expiration Date'' (RIN 0960–AE86) received on July 15, 1998; to the Committee on Finance.

EC–6083. A communication from the General Counsel of the National Credit Union Administration, transmitting, pursuant to law, the report of a rule entitled ''Central Liquidity Facility'' received on July 15, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–6084. A communication from the Deputy Secretary of the Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Exemption To Allow Investment Advisers To Charge Fees Based Upon a Share of Capital Gains Upon or Capital Appreciation of a Client's Account'' (RIN3235–AH25) received on July 15, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–6085. A communication from the Secretary of the Interior, transmitting, pursuant to law, the reports on the operation of the Colorado River Reservoirs for 1996 and 1997; to the Committee on Energy and Natural Resources.

EC–6086. A communication from the Director of the Office of Rulemaking Coordination, Department of Energy, transmitting, pursuant to law, the report of a rule regarding the protection and control of classified matter (DOE M 471.2–1A) received on July 8, 1998; to the Committee on Energy and Natural Resources.

EC–6087. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on public and private partnerships to benefit Moral, Welfare and Recreation programs; to the Committee on Armed Services.

EC–6088. A communication from the Secretary of Defense, Transmitting, pursuant to law, a report entitled ''Medical Tracking System for Members Deployed Overseas'' received on July 15, 1998; to the Committee on Armed Services.

EC–6089. A communication from the Chief of the Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, notice of a cost comparison of the transportation functions at Travis Air Force Base, California; to the Committee on Armed Services.

EC–6090. A communication from the Chief of the Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, Transmitting, pursuant to law, notice of a study on reengineering the 38th Engineering and Installation Wing; to the Committee on Armed Services.

EC–6091. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, certification of a proposed manufacturing license agreement with Japan for the production of airborne radio sets (DTC 59–98); to the Committee on Foreign Relations.

EC–6092. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, certification of a proposed manufacturing license agreement with Japan for the production of UHF receiver/transmitters (DTC58–98); to the Committee on Foreign Relations.

EC–6093. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, certification of a proposed export license for the production of helmet mounted display systems for fighter aircraft operated by the Government of Japan (DTC92–98); to the Committee on Foreign Relations.

EC–6094. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, certification of a proposed export license to provide logistics support for certain radars used on E767 AWACS planes procured by the Government of Japan (DTC87–98); to the Committee on Foreign Relations.

EC–6095 communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, certification of a proposed export license agreement with Greece for the manufacture of certain rifles and grenade launchers (DTC 82–98); to the Committee on Foreign Relations.

EC–6096. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, certification of a proposed export license agreement with Germany for the production of certain semiautomatic pistol components (DTC 74–98); to the Committee on Foreign Relations.

EC–6097. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, the annual report on Military Assistance, Military Exports, and Military Imports; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–511. A resolution adopted by the House of the Legislature of the State of Louisiana; to the Committee on the Judiciary.

HOUSE RESOLUTION NO. 120

Whereas, Article III, Section 1 of the Constitution of the United States, provides in part that ''. . . The Judges, both the supreme and inferior Courts, shall hold their Offices during good Behaviour, . . .''; and

Whereas, this clause has been interpreted to mean that ''. . . (a) person appointed to office of United States district judge becomes entitled to draw salary of office so long as he continues to ''hold office'', and he ''holds office'' until he voluntarily relinquishes it or is ousted by impeachment or death.'' *Johnson* v. *U.S.*, 79 F. Supp. 208 (1948); and

Whereas, this clause has been further interpreted to mean ''. . . Judges of federal ''constitutional'' courts which have been invested with the judicial power of the United States pursuant to this article are guaranteed life tenure during good behavior and compensation which may not be reduced during their term of office. . . .'' *Montanez* v. *U.S.*, 226 F. Supp. 593 (1964) affirmed 371 F.2d. 79; and

Whereas, the system appears to still maintain an independent judiciary uninfluenced by undue public pressure in the inferior federal courts in which judges are not granted life tenure; and

Whereas, a common complaint that the public makes about federal district judges is that they are not accountable to the people because of this life tenure; and

Whereas, this public complaint continues that these judges, because of their insulation and isolation after a certain length of time in office, lose touch with the problems facing and feelings of the majority of the American people; and

Whereas, state district, appellate, and supreme court justices in Louisiana have specific limited terms of office, as do other inferior federal courts, such as bankruptcy judges whose term is fourteen years; and

Whereas, this constitutional amendment would not give the people the right to vote for a federal judge, but only the right to voice their opinion on whether the appointment of federal district judges should be for a limited term short of life tenure; and

Whereas, the system appears to still maintain an independent judiciary uninfluenced by undue public pressure in the inferior federal courts in which judges are not granted life tenure; and

Whereas, Article V of the Constitution of the United States provides that an amendment to the constitution may be proposed by congress which shall become part of the constitution when ratified by three-fourths of the several states. Therefore, be it

Resolved, That the House of Representatives of the Legislature of Louisiana does hereby urge and request the Congress of the United States to propose an amendment to the Constitution of the United States, for submission to the states for ratification, to provide for election of members of the federal judiciary. Be it further

Resolved, That certified copies of this Resolution be transmitted by the secretary of state of the president and the secretary of the United States Senate, to the speaker and clerk of the United States House of Representatives, to each member of this state's delegation to the congress and to the presiding officer of each state legislature in the United States.

POM–512. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Commerce, Science, and Transportation.

HOUSE CONCURRENT RESOLUTION NO. 60

Whereas, in an amazingly short time, the Internet has become a key means of communicating in this country. It is already a prominent vehicle for doing business through selling goods and services and providing information leading to commercial transactions. The business value of selling access to the Internet is in itself a multi-billion-dollar enterprise. The growth projections for the Internet and for its impact on commerce are very high; and

Whereas, as with any new aspect of commerce, there are numerous tax implications associated with the Internet. The new technology and capabilities can be used to avoid local taxes. Numerous transactions involve automatic transfers of money for goods and services. Borders and jurisdictions have become far less significant in this new marketplace; and

Whereas, with the rise of the Internet, state and local policymakers have suggested various ways to tax this activity. Some states have explored telecommunications taxes and taxes on Internet service providers. Industry observers are concerned that implementing a ''modem tax'' could disrupt the development of a new tool for commerce and economic development; and

Whereas, with the complexity of issues involved and the constant changes in this new technology as it takes shape, imposing taxes specific to the Internet would likely be harmful. Any possible gains in revenues would be more than offset by long-term changes in the evolution of the Internet. Greed should not drive policy or taxation decisions; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we memorialize the Congress of the United States to enact legislation to create a moratorium on new national, state, and local taxes on the Internet; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–513. A resolution adopted by the House of the Legislature of the State of Michigan; to the Committee on Finance.

HOUSE RESOLUTION NO. 240

Whereas, the federal income tax system includes deductions and credits for a wide variety of personal and business expenses. These exceptions from certain calculations of taxation reflect public policy values that elected officials have established over many years; and

Whereas, in determining federal tax liability, most state and local taxes are deductible, including income taxes and property taxes. These policies recognize the value of taxes paid to finance state and local government activities. For many years, state sales taxes were also deductible. Federal tax laws were changed in 1986 to discontinue the deductibility of state sales taxes; and

Whereas, it is inconsistent for the federal government to allow citizens to deduct some taxes paid for state and local government, such as property and income taxes, and not allow deductions for state sales taxes. State sales taxes, in Michigan as elsewhere, finance the same types of public purpose programs financed through other state and local taxes that are fully deductible. The current situation is very inconsistent and frustrating to taxpayers across our state and throughout the country; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the Congress of the United States to enact and the President to sign legislation to allow state sales taxes to be deductible from federal income taxes and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–514. A resolution adopted by the General Assembly of the Legislature of the State of New Jersey; to the Committee on Indian Affairs.

ASSEMBLY RESOLUTION NO. 13

Whereas, during 1980's, certain Indian tribes began to conduct significant amounts of gambling on reservations and other land held in trust for the tribes by the federal government; and

Whereas, this activity was largely unregulated by the federal government and beyond the reach of state law, and

Whereas, the vast sums of money generated from gambling by the mostly non-Indian patrons of Indian bingo halls and casinos raised concerns about the risk of corruption especially by organized crime influences; and

Whereas, Congress responded to these concerns in 1988 by enacting the Indian Gaming Regulatory Act which attempted to provide a regulatory framework that balanced the interests of the federal government, the States and the tribes; and

Whereas, that act did not adequately address many of the issues raised by Indian gaming and permitted the continued proliferation of poorly-regulated gaming facilities; and

Whereas, under the existing statutory scheme it may be possible for the Delaware

Indians of Western Oklahoma, a group which has had no nexus with the State of New Jersey for over a century, to gain control over, and operate a casino on, a site in Wildwood, New Jersey; and

Whereas, this proposed casino would not be subject to regulation or taxation by this State and would directly compete with Atlantic City's casinos and other forms of legalized gambling; and

Whereas, H.R. 334 of 1997, the ''Fair Indian Gaming Act,'' would close many of the loopholes in the existing federal law and address the risk of corruption by enhancing federal and State regulation of gambling conducted by Indian tribes; now, therefore, be it

Resolved by the General Assembly of the State of New Jersey:

1. The Congress of the United States is respectfully memorialized to enact H.R. 334 of 1997, the ''Fair Indian Gaming Act,'' into law.

2. A copy of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the Vice-President of the United States, the Speaker of the House of Representatives, and every member of Congress elected from this State.

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 Mrs. HUTCHISON (for herself and Mr. GRAMM):

S. 2325. A bill to provide an opportunity for States to modify agreements under title II of the Social Security Act with respect to student wages; to the Committee on Finance.

By Mr. BRYAN (for himself and Mr. MCCAIN):

S. 2326. A bill to require the Federal Trade Commission to prescribe regulations to protect the privacy of personal information collected from and about children on the Internet, to provide greater parental control over the collection and use of that information, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. COATS (for himself and Mr. LIEBERMAN):

S. 2327. A bill to provide grants to grassroots organizations in certain cities to develop youth intervention models; to the Committee on the Judiciary.

By Mr. BROWNBACK (for himself and Mr. GRASSLEY):

S. 2328. A bill to establish the negotiating objectives of the United States with respect to the WTO Agreement on Agriculture, to establish criteria for the accession of state trading regimes to the WTO, and for other purposes; to the Committee on Finance.

By Mr. JEFFORDS (for himself, Mr. BINGAMAN, and Mr. GRAHAM):

S. 2329. A bill to amend the Internal Revenue Code of 1986 to enhance the portability of retirement benefits, and for other purposes; to the Committee on Finance.

By Mr. LOTT (for Mr. NICKLES (for himself, Mr. FRIST, Ms. COLLINS, Mr. JEFFORDS, Mr. ROTH, Mr. SANTORUM, Mr. HAGEL, Mr. GRAMM, Mr. COATS, Mr. LOTT, Mr. MACK, Mr. CRAIG, Mr. COVERDELL, Mr. ABRAHAM, Mr. ALLARD, Mr. ASHCROFT, Mr. BENNETT, Mr. BOND, Mr. BROWNBACK, Mr. BURNS, Mr. COCHRAN, Mr. DOMENICI, Mr. ENZI, Mr. FAIRCLOTH, Mr. GORTON, Mr. GRAMS, Mr. GRASSLEY, Mr. HATCH, Mr. HELMS, Mr. HUTCHINSON, Mrs. HUTCHISON, Mr. INHOFE, Mr. KEMPTHORNE, Mr. LUGAR, Mr. MCCAIN, Mr. MURKOWSKI, Mr. ROBERTS, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. THOMAS, Mr. THOMPSON, Mr. THURMOND, and Mr. WARNER)):

S. 2330. A bill to improve the access and choice of patients to quality, affordable health care; read the first time.

By Mr. LUGAR:

S. 2331. A bill to provide a limited waiver for certain foreign students of the requirement to reimburse local educational agencies for the costs of the students' education; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. DORGAN (for himself and Mr. FRIST):

S. Con. Res. 108. A concurrent resolution recognizing the 50th anniversary of the National Heart, Lung, and Blood Institute, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BRYAN (for himself and Mr. MCCAIN):

S. 2326. A bill to require the Federal Trade Commission to prescribe regulations to protect the privacy of personal information collected from and about children on the Internet, to provide greater parental control over the collection and use of that information, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE CHILDREN'S ONLINE PRIVACY PROTECTION ACT OF 1998

Mr. BRYAN. Mr. President, today the chairman of the Senate Commerce Committee and I are introducing ''the Children's Online Privacy Protection Act of 1998.'' Commercial Web sites are currently collecting and disseminating personal information collected from children that may compromise their safety and most certainly invades their privacy. This legislation will ensure that commercial Web sites that collect and use personal information from children will have safeguards in place to protect you and your family.

The Internet is quickly becoming an significant force in the lives of our children as it moves swiftly into homes and classrooms around the country. Currently more than 3 million children under the age of 18 are online and the number is expected to grow to 15 million by the turn of the century.

I think all would agree that proficiency with the Internet is a critical and vital skill that will be necessary for academic achievement in the next century. The benefits of the Internet are extraordinary. Reference information such as news, weather, sports, stock quotes, movie reviews, encyclopedia and online airline fares are readily available. Users can conduct transactions such as stock trading, make travel arrangements, bank, and shop online.

Millions of people communicate through electronic mail to family and friends around the world, and others use the public message boards to make new friends and share common interests. As an educational and entertainment tool, users can learn about virtually any topic or take a college course.

Unfortunately, the same marvelous advances in computer and telecommunication technology that allow our children to reach out to new resources of knowledge and cultural experiences are also leaving them unwittingly vulnerable to exploitation and harm by deceptive marketers and criminals.

Earlier this spring, I held several meetings in Nevada with educators and parents' representatives to alert them of some of the deceptive practices found on the Internet. Representatives of the FBI and Federal Trade Commission informed Nevadans about some of the Internet's pitfalls. I found it extremely informative and enlightening and to some extent frightening.

You may be startled to learn what information other people are collecting about you and your family may have a profound impact upon their privacy and, indeed, their safety.

Once what may seem to be harmless information has made its way onto the Internet, there is no way of knowing what uses may be put to that information.

Senator MCCAIN and I wrote to the FTC asking them to investigate online privacy issues. Recently, the FTC completed the survey of a number of web sites and found that 89 percent of children's sites collect personal information from children, and less than 10 percent of the sites provide for parental control over the collection and use of this personal information.

I was, frankly, surprised to learn the kinds of information these web sites are collecting from our children. Some were asking where the child went to school, what sports he or she liked, what siblings they had, their pet's name, what kind of time they had after school alone without the supervision of parents.

Others were collecting personal financial information like what the family income was, does the family own stocks or certificates of deposit, did their grandparents give them any financial gifts?

Web sites were using games, contests, and offers of free merchandise to entice children to give them exceedingly personal and private information about themselves and their families. Some even used cartoon characters who asked children for personal information, such as a child's name and address and e-mail address, date of birth, telephone number, and Social Security number.

Much of this information appears to be harmless, but companies are attempting to build a wealth of information about you and your family without an adult's approval—a profile that will enable them to target and to entice your children to purchase a range of products.

The Internet gives marketers the capability of interacting with your children and developing a relationship without your knowledge.

Where can this interactive relationship go? Will your child be receiving birthday cards and communications with online cartoon characters for particular products?

Senator MCCAIN and I believe there must be safeguards against the online collecting of information from children without a parent's knowledge or consent. If a child answers a phone and starts answering questions, a parent automatically becomes suspicious and asks who they are talking to. When a child is on the Internet, parents often have no knowledge of whom their child is interacting.

That is why we are introducing legislation that would require the FTC to come up with rules to govern these kind of activities. The FTC's rules would require commercial web sites to:

(1) Provide notice of its personal information collection and use practices;

(2) Obtain parental consent for the collection, use or disclosure of personnel information from children 12 and under;

(3) Provide parents with an opportunity to opt-out of the collection and/or use of personal information collected from children 13 to 16;

(4) Provide parents access to his or her child's personal information;

(5) Establish and maintain reasonable procedures to ensure the confidentiality, security, accuracy, and integrity of personal information on children.

The FTC must come up with these rules within 1 year. The FTC may provide incentives for industry self-regulatory efforts including safe harbors for industry created guidelines. The bill permits States' attorneys general to enforce the act.

I believe these represent reasonable steps we should take to protect our privacy. Although time is short in this session, I hope we can find a way to enact these commonsense proposals this Congress.

Most people who use online services have positive experiences. The fact that deceptive acts may be committed on the Internet, is not a reason to avoid using the service. To tell children to stop using the Internet would be like telling them to forgo attending college because students are sometimes victimized on campus. A better strategy is for children to learn how to be street smart in order to better safeguard themselves from potentially deceptive situations.

The Internet offers unlimited potential for assisting our child's growth and development. However, we must not send our children off on this adventure without proper guidance and supervision.

Mr. President, in my judgment, the legislation offered today by the senior Senator from Arizona and I provides those reasonable guidelines. I hope colleagues will join with me in making sure this legislation is enacted in this situation.

By Mr. COATS (for himself and Mr. LIEBERMAN):

S. 2327. A bill to provide grants to grassroots organizations in certain cities to develop youth intervention models; to the Committee on the Judiciary.

NATIONAL YOUTH CRIME PREVENTION DEMONSTRATION ACT

Mr. COATS. Mr. President, America currently struggles with a disturbing and growing trend of youth violence. Between 1985 and 1994, the arrest rate for murders by juveniles increased 150 percent, while the rate for adults during this time increased 11 percent. Every day, in our communities and in the media, we see horrific examples of this crime. A 13-year-old girl murders her 3-year-old nephew and dumps him in the trash. A 13-year-old boy is stabbed to death while sitting on his back porch. A group of teenagers hails a cab and, after the driver takes them to their destination, they shoot him dead in an armed robbery.

I did not have to look far for these examples. Each occurred in Indiana, a State generally known as a safe State, a good place to raise a family, not a dangerous place, yet a State where arrests for violent juvenile crimes have skyrocketed 19 percent in the early 1990's. Juvenile violence is no longer a stranger in any ZIP code.

Yet, the problem is expected to grow worse. Crime experts who study demographics warn of a coming crime wave based on the number of children who currently are younger than 10 years old. These experts warn that if current trends are not changed, we might someday look back at our current juvenile crime epidemic as ''the good old days.'' This spiraling upward trend in youth crime and violence is cause for grave concern. So one might ask, what is driving this epidemic?

Over 30 years ago, our colleague DANIEL PATRICK MOYNIHAN, then an official in the Johnson administration, wrote that when a community's families are shattered, crime, violence and rage ''are not only to be expected, they are virtually inevitable.'' He wrote those words in 1965. Since then, arrests of violent juvenile criminals have tripled.

Last Congress, the Subcommittee on Children and Families, which I chair, held a hearing about the role of government in combating juvenile crime. The experts were clear: while government efforts are important, they are also fundamentally limited and incomplete. Government is ultimately powerless to form the human conscience that chooses between right and wrong.

Locking away juveniles might prevent them from committing further crimes, but it does not address the fact that violence is symptomatic of a much deeper, moral and spiritual void in our Nation. In the battle against violent crime, solid families are America's strongest line of defense. But government can be an effective tool if it joins private institutions (families, churches, schools, community groups, and non-profit organizations) in preventing and confronting juvenile crime with the moral ideals that defeat despair and nurture lives.

Today, I rise to introduce the National Youth Crime Prevention Act which will empower local communities to address the rising trend in youth violence. Specifically, this legislation authorizes the Attorney General to award $5 million annually for five years to the National Center for Neighborhood Enterprise to conduct national demonstration projects in eight cities. These projects would aim to end youth crime, violence and family disintegration by building neighborhood capacity and linking proven grassroots organizations within low-income neighborhoods with sources from the public sector, including local housing authorities, law enforcement agencies, and other public entities. The demonstration projects will take place in Washington, DC; Detroit, Michigan; Hartford, Connecticut; Indianapolis, Indiana; Chicago, Illinois; San Antonio, Texas; Dallas, Texas; and Los Angeles, California.

With these funds, the National Center for Neighborhood Enterprise will work with the grassroots organizations in the demonstration cities to establish Violence Free Zone Initiatives. These initiatives would involve successful youth intervention models in partnership with law enforcement, local housing authorities, private foundations, and other public and private partners. To be eligible for the grants, the nonprofit organizations within the demonstration cities must have experience in crime prevention and youth mediation projects and must have a history of cultivating cooperative relationships with other local organizations, housing facilities and law enforcement agencies.

Funds may be used for youth mediation, youth mentoring, life skills training, job creation and entrepreneurship, organizational development and training, development of long-term intervention plans, collaboration with law enforcement, comprehensive support services, local agency partnerships and activities to further community objectives in reducing youth crime and violence.

The success of this approach has already been demonstrated. Last year, The National Center for Neighborhood Enterprise assisted The Alliance for Concerned Men in creating a ''Violence Free Zone'' in Benning Terrace in Southeast DC. The Alliance of Concerned Men brokered peace treaties among the gangs that inhabit, and frequently dominate, the city's public

housing complexes. Benning Terrace in Southeast Washington, known to the DC police department as one of the most dangerous areas of the city, has not had a single murder since the Alliance's peace treaty went into effect early last year. Subsequently, the National Center for Neighborhood Enterprise brought the Alliance, the youths, and the DC Housing Receiver together to develop and implement a plan for jobs and life skills training for the young people and the community itself.

Grassroots organizations are the key to implementing the most effective innovative strategies to address community problems. Their efforts help restore hardpressed inner-city neighborhoods by developing the social, human and economic capital that is key to real, long-term renewal of urban communities. The National Youth Crime Prevention Demonstration Act will provide critical assistance to our Nation's inner-cities as they combat the rising trend in youth violence by linking proven grassroots organizations with established public sector entities.

Mr. President, I urge my colleagues to support this important legislation, and I ask unanimous consent that the text of the National Youth Crime Prevention Demonstration Act be printed in the RECORD.

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

S. 2327

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 ''National Youth Crime Prevention Demonstration Act''.

SEC. 2. PURPOSES.

The purposes of this Act are as follows:

(1) To establish a demonstration project that establishes violence-free zones that would involve successful youth intervention models in partnership with law enforcement, local housing authorities, private foundations, and other public and private partners.

(2) To document best practices based on successful grassroots interventions in cities, including Washington, District of Columbia; Boston, Massachusetts; Hartford, Connecticut; and other cities to develop methodologies for widespread replication.

(3) To increase the efforts of the Department of Justice, the Department of Housing and Urban Development, and other agencies in supporting effective neighborhood mediating approaches.

SEC. 3. ESTABLISHMENT OF NATIONAL YOUTH CRIME PREVENTION DEMONSTRATION PROJECT.

The Attorney General shall, subject to appropriations, award a grant to the National Center for Neighborhood Enterprise (referred to in this Act as the ''National Center'') to enable the National Center to award grants to grassroots entities in the following 8 cities:

(1) Washington, District of Columbia.

(2) Detroit, Michigan.

(3) Hartford, Connecticut.

(4) Indianapolis, Indiana.

(5) Chicago (and surrounding metropolitan area), Illinois.

(6) San Antonio, Texas.

(7) Dallas, Texas.

(8) Los Angeles, California.

SEC. 4. ELIGIBILITY.

(a) IN GENERAL.—To be eligible to receive a grant under this Act, a grassroots entity referred to in section 3 shall submit an application to the National Center to fund intervention models that establish violence-free zones.

(b) SELECTION CRITERIA.—In awarding grants under this Act, the National Center shall consider—

(1) the track record of a grassroots entity and key participating individuals in youth group mediation and crime prevention;

(2) the engagement and participation of a grassroots entity with other local organizations; and

(3) the ability of a grassroots entity to enter into partnerships with local housing authorities, law enforcement agencies, and other public entities.

SEC. 5. USES OF FUNDS.

(a) IN GENERAL.—Funds received under this Act may be used for youth mediation, youth mentoring, life skills training, job creation and entrepreneurship, organizational development and training, development of long-term intervention plans, collaboration with law enforcement, comprehensive support services and local agency partnerships, and activities to further community objectives in reducing youth crime and violence.

(b) GUIDELINES.—The National Center will identify local lead grassroots entities in each designated city which include the Alliance of Concerned Men of Washington in the District of Columbia; the Hartford Youth Peace Initiative in Hartford, Connecticut; the Family Help-Line in Los Angeles, California; the Victory Fellowship in San Antonio, Texas; and similar grassroots entities in other designated cities.

(c) TECHNICAL ASSISTANCE.—The National Center, in cooperation with the Attorney General, shall also provide technical assistance for startup projects in other cities.

SEC. 6. REPORTS.

The National Center shall submit a report to the Attorney General evaluating the effectiveness of grassroots agencies and other public entities involved in the demonstration project.

SEC. 7. DEFINITIONS.

For purposes of this Act—

(1) the term ''grassroots entity'' means a not-for-profit community organization with demonstrated effectiveness in mediating and addressing youth violence by empowering at-risk youth to become agents of peace and community restoration; and

(2) the term ''National Center for Neighborhood Enterprise'' is a not-for-profit organization incorporated in the District of Columbia.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act—

(1) $5,000,000 for fiscal year 1999;

(2) $5,000,000 for fiscal year 2000;

(3) $5,000,000 for fiscal year 2001;

(4) $5,000,000 for fiscal year 2002; and

(5) $5,000,000 for fiscal year 2003.

(b) RESERVATION.—The National Center for Neighborhood Enterprise may use not more than 20 percent of the amounts appropriated pursuant to subsection (a) in any fiscal year for administrative costs, technical assistance and training, comprehensive support services, and evaluation of participating grassroots organizations.

By Mr. JEFFORDS (for himself, Mr. BINGAMAN, and Mr. GRAHAM):

S. 2329. A bill to amend the Internal Revenue Code of 1986 to enhance the portability of retirement benefits, and for other purposes; to the Committee on Finance.

THE RETIREMENT PORTABILITY ACCOUNT (RAP) ACT.

Mr. JEFFORDS. Mr. President, today I am introducing S. 2329, the Retirement Portability Account (RAP) Act. This bill is a close companion to H.R. 3503 introduced by our colleagues EARL POMEROY of North Dakota and JIM KOLBE of Arizona earlier this year. In addition, it contains certain elements of H.R. 3788, the Portman-Cardin bill, which relate to increased pension portability. Generally this bill is intended to be a further iteration of the concepts embodied in both of those bills. It standardizes the rules in the Internal Revenue Code (IRC) which regulate how portable a worker's retirement savings account is, and while it does not make portability of pension benefits perfect, it greatly improves the status quo. Consistent with ''greatly improving the status quo'', this bill contains no mandates. No employer will be ''required'' to accept rollovers from other plans. A rollover will occur when the employee offers, and the employer agrees to accept, a rollover from another plan.

Under current law, it is not possible for an individual to move an accumulated retirement savings account from a section 401(k) (for-profit) plan to a section 457 (state and local government) deferred compensation plan, to an Individual Retirement Account (IRA), then to a section 403(b) (nonprofit organization) plan and ultimately back into a section 401(k) plan, without violating various restrictions on the movement of their money. The RAP Act will make it possible for workers to take their retirement savings with them when they change jobs regardless of the type of employer for which they work.

This bill will also help make IRAs more portable and will improve the uses of conduit IRAs. Conduit IRAs are individual retirement accounts to which certain distributions from a qualified retirement plan or from another individual retirement account have been transferred. RAP changes the rules regulating these IRAs so that workers leaving the for-profit, nonprofit or governmental field can use a conduit IRA as a parking spot for a pre-retirement distribution. These special accounts are needed by many workers until they have another employer-sponsored plan in which to rollover their savings.

In many instances, this bill will allow an individual to rollover an IRA consisting exclusively of tax-deductible contributions into a retirement plan at his or her new place of employment, thus helping the individual consolidate retirement savings in a single account. Under certain circumstances, the RAP Act will also allow workers to rollover any after-tax contributions made at his or her previous workplace, into a new retirement plan.

Current law requires a worker who changes jobs to face a deadline of 60 days within which to roll over any retirement savings benefits either into an Individual Retirement Account, or into the retirement plan of his or her new employer. Failure to meet the deadline can result in both income and excise taxes being imposed on the account. We believe that this deadline should be waived under certain circumstances and we have outlined them in the bill. Consistent with the Pomeroy-Kolbe bill, in case of a Presidentially-declared natural disaster or military service in a combat zone, the Treasury Department will have the authority to disallow imposition of any tax penalty for the account holder. Consistent with the additional change proposed by the Portman-Cardin bill, however, we have included a waiver of tax penalties in the case of undue hardship, such as a serious personal injury or illness and we have given the Department of the Treasury the authority to waive this deadline, as well.

The Retirement Account Portability bill will also change two complicated rules which harm both plan sponsors and plan participants; one dealing with certain business sales (the so-called ''same desk'' rule) and the other dealing with retirement plan distribution options. Each of these rules has impeded true portability of pensions and we believe they ought to be changed.

In addition, this bill will extend the Pension Benefit Guaranty Corporation's (PBGC) Missing Participant program to defined benefit multiemployer pension plans. Under current law, the PBGC has jurisdiction over both single-employer and multiemployer defined benefit pension plans. A few years ago, the agency initiated a program to locate missing participants from terminated, single-employer plans. The program attempts to locate individuals who are due a benefit, but who have not filed for benefits due to them, or who have attempted to find their former employer but failed to receive their benefits. This bill expands the missing participant program to multiemployer pension plans.

I know of no reason why individuals covered by a multiemployer pension plans should not have the same protections as participants of single-employer pension plans and this change will help more former employees receive all the benefits to which they are entitled. This bill does not expand the missing participants program to defined contribution plans. Supervision of defined contribution plans is outside the statutory jurisdiction of the PBGC and I have not heard strong arguments for including those plans within the jurisdiction of the agency.

In a particularly important provision, the Retirement Account Portability bill will allow public school teachers and other state and local employees who move between different states and localities to use their savings in their section 403(b) plan or section 457 deferred compensation arrangement to purchase ''service credit'' in the plan in which they are currently participating, and thus obtain greater pension benefits in the plan in which they conclude their career. However, the bill does not allow the use of a lump sum cash-out from a defined benefit plan to be rolled over to a section 403(b) or section 457 plan.

As a final note, this bill, this bill does not reduce the vesting schedule from the current five year cliff vesting (or seven year graded) to a three year cliff or six year graded vesting schedule. I am not necessarily against the shorter vesting schedules, but I feel that this abbreviated vesting schedule makes a dramatic change to tax law without removing some of the disincentives to maintaining a pension plan that businesses—especially small businesses—desperately need.

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

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

INCREASING PORTABILITY FOR PENSION PLAN PARTICIPANTS: FACILITATING ROLLOVERS

Under current law, an ''eligible rollover distribution'' may be either (1) rolled over by the distributee into an ''eligible retirement plan'' if such rollover occurs within 60 days of the distribution, or (2) directly rolled over by the distributing plan to an ''eligible retirement plan.'' An ''eligible rollover distribution'' does not include any distribution which is required under section 401(a)(9) or any distribution which is part of a series of substantially equal periodic payments made for life, life expectancy or over a period of ten years or more. An ''eligible retirement plan'' is another section 401 plan, a section 403(a) plan or an IRA. (If the distributee is a surviving spouse of a participant, ''eligible retirement plans'' consist only of IRAs.) Under these rules, for example, amounts distributed from a section 401(k) plan may not be rolled over to a section 403(b) arrangement.

In the case of a section 403(b) arrangement, distributions which would be eligible rollover distributions except for the fact that they are distributed from a section 403(b) arrangement may be rolled over to another section 403(b) arrangement or an IRA. Under these rules, amounts distributed from a section 403(b) may not be rolled over into a section 401(k) plan.

When an ''eligible rollover distribution'' is made, the plan administrator must provide a written notice to the distributee explaining the availability of a direct rollover to another plan or an IRA, that failure to exercise that option will result in 20% being withheld from the distribution and that amounts not directly rolled over may be rolled over by the distributee within 60 days.

Under ''conduit IRA'' rules, an amount may be rolled over from a section 401 or 403(a) plan to an IRA and subsequently rolled over to a section 401 or 403(a) plan if amounts in the IRA are attributable only to rollovers from section 401 or 403(a) plans. Also under conduit IRA rules, an amount may be rolled over from a section 403(b) arrangement to an IRA and subsequently rolled over to a section 403(b) arrangement if amounts in the IRA are attributable only to rollovers from section 403(b) arrangements.

In the case of a section 457 deferred compensation plan, distributions may not be rolled over by a distributee; however, amounts may be transferred from one section 457 plan to another section 457 plan without giving rise to income to the plan participant.

A participant in a section 457 plan is taxed on plan benefits that are not transferred when such benefits are paid or when they are made available. In contrast, a participant in a qualified plan or a section 403(b) arrangement is only taxed on plan benefits that are actually distributed.

Under this proposal, ''eligible rollover distributions'' from a section 401 plan could be rolled over to another section 401 plan, a section 403(a) plan, a section 403(b) arrangement, a section 457 deferred compensation plan maintained by a state or local government or an IRA. Likewise, ''eligible rollover distributions'' from a section 403(b) arrangement could be rolled over to the same broad array of plans and IRAs. Thus, an eligible rollover distribution from a section 401(k) plan could be rolled over to a section 403(b) arrangement and vice versa. (As under current law, if the distributee is a surviving spouse of a participant, the distribution could only be rolled over into an IRA.)

Eligible rollover distributions from all section 457 deferred compensation plans could be rolled over to the same broad array of plans and IRAs; however, the rules regarding the mandatory 20% withholding would not apply to the section 457 plans. A section 457 plan maintained by a government would be made an eligible retirement plan for purposes of accepting rollovers from section 401(k), section 403(b) and other plans.

The written notice required to be provided when an ''eligible rollover distribution'' is made would be expanded to apply to section 457 plans and to include a description of restrictions and tax consequences which will be different if the plan to which amounts are transferred is a different type of plan from the distribution plan.

Participants who mix amounts eligible for special capital gains and averaging treatment with amounts not so eligible would lose such treatment.

A participant in a section 457 plan would only be taxed on plan benefits that are not transferred or rolled over when they are actually paid.

These changes would take effect for distributions made after December 31, 1998.

The reason for this expansion of current law rules permitting rollovers is to allow plan participants to put all of their retirement plan savings in one vehicle if they change jobs. Given the increasing mobility of the American workforce, it is important to make pension savings portable for those who change employment. This proposal contains no mandates requiring employers to accept rollovers from their new employees. A rollover occurs when the employee makes an offer to move his/her money and the employer accepts the funds.

Because of the rule that taxes section 457 plan participants on benefits made available, section 457 plans cannot provide plan participants with the flexibility to change benefit payments to fit their changing needs. There is no policy justification for this lack of flexibility.

ROLLOVERS OF INDIVIDUAL RETIREMENT ACCOUNTS TO QUALIFIED PLANS

Under current law, a taxpayer is not permitted to roll amounts held in an individual retirement account (IRA) (other than a conduit IRA), to a section 401 plan, a 403(a) plan, a 403(b) arrangement or a section 457 deferred compensation plan. Currently, the maximum direct IRA contribution is $2,000. Since 1986, generally only individuals with income below certain limits are able to fully deduct

IRA contributions. For others, IRA contributions have been nondeductible or partially deductible in some or all years. To the extent that IRA contributions are non-deductible, they have ''basis'' which is not taxed the second time upon distribution from the IRA. The burden of maintaining records of IRA basis has been the taxpayer's, since only the taxpayer has had the information to determine his or her basis at the outset and as an ongoing matter.

IRAs are generally subject to different regulatory schemes than other retirement savings plans, such as section 401(k)s or section 457 deferred compensation plans, although the 10 percent tax penalty on early distributions applies to both qualified plans and IRAs. For example, one cannot take a loan from an IRA, although a recent change in law will make it easier to make a penalty-free withdrawal from an IRA to finance a first-time home purchase or higher-education expenses.

Under the bill, rollovers of contributory IRAs would be permitted if and only if the individual has never made any nondeductible contributions to his or her IRA and has never had a Roth IRA. The IRA may then be rolled over into a section 401 plan, a section 403(a) plan, a 403(b) arrangement or a section 457 deferred compensation plan. Since the vast majority of IRAs contain only deductible contributions, this change will allow many individuals to consolidate their retirement savings into one account. For those who have both nondeductible and deductible contributions, they may still have two accounts, one containing the majority of funds consolidated in one place and one containing the nondeductible IRA contributions. Once IRA money is rolled over into a plan however, the IRA contributions would become plan money and subject to the rules of the plan except that participants who mix amounts for special capital gains and averaging treatment with amounts not so eligible would lose such treatment. Employers will not be required to accept rollovers for IRAs.

These changes would apply to distributions after December 31, 1998.

The reasons for this change is to take another step toward increased portability of retirement savings. While this proposal would not guarantee that all retirement savings would be completely portable, it will increase the extent to which such savings are portable and fungible. Other rules and requirements affecting IRAs and their differences and similarities to plan money will continue to be the subject of Congressional scrutiny.

ROLLOVERS OF AFTER-TAX CONTRIBUTIONS AND ROLLOVERS NOT MADE WITHIN 60 DAYS OF RECEIPT

Under current law, employees are allowed to make after-tax contributions to IRAs, 401(k) plans, and other plans. They are not permitted to roll over distributions of those after-tax contributions to an IRA or another plan.

Rollovers from qualified plans to an IRA (or from an IRA to another IRA) must occur within 60 days of the initial distribution. Income tax withholding rules apply to certain distributions that are not direct trustee-to-trustee transfers from the qualified plan to an IRA or another plan.

The proposal would allow after-tax contributions to be included in a rollover contribution to an IRA or other types of retirement plans, but it does not require the receiving trustee to track or report the basis. That requirement would be the responsibility of the taxpayer, as in the case of nondeductible IRA contributions.

The IRS is given the authority to extend the 60-day period where the failure to comply with such requirements is attributable to casualty, disaster or other events beyond the reasonable control of the individual subject to such requirements.

These changes would generally apply to distributions made after December 31, 1998. The hardship exception to the 60-day rollover period would apply to such 60-day periods expiring after the date of enactment.

These changes are warranted because after-tax savings in retirement plans enhance retirement security and are particularly attractive to low and middle income taxpayers. Allowing such distributions to be rolled over to an IRA or a plan will increase the chances that those amounts would be retained until needed for retirement.

Often individuals, particularly widows, widowers and individuals with injuries of illnesses, miss the 60-day window. In other instances, individuals miss the 60-day rollover period because of the failure of third parties to perform as directed. Finally, victims of casualty or natural disaster should not be penalized. A failure to satisfy the 60-day rule, by even one day can result in catastrophic tax consequences for a taxpayer that can include immediate taxation of the individual's entire retirement savings (often in a high tax bracket), a 10% early distribution tax, and a substantial depletion of retirement savings. By giving the IRS the authority to provide relief from the 60-day requirement for failures outside the control of the individual, the proposal would give individuals in these situations the ability to retain their retirement savings in an IRA or a qualified plan.

TREATMENT OF FORMS OF DISTRIBUTION

Under current law, section 411(d)(6), the ''anti-cutback'' rule generally provides that when a participant's benefits are transferred from one plan to another, the transferee plan must preserve all forms of distribution that were available under the transferor plan.

Under this proposal, an employee may elect to waive his or her section 411(d)(6) rights and transfer benefits from one defined contribution plan to another defined contribution plan without requiring the transferee plan to preserve the optional forms of benefits under the transferor plan if certain requirements are satisfied to ensure the protection of participants' interests. This proposal would also apply to plan mergers and other transactions having the effect of a direct transfer, including consolidation of benefits attributable to different employers within a multiple employer plan.

These changes would apply to transfers after December 31, 1998.

The requirement that a defined contribution plan preserve all forms of distribution included in transferor plans significantly increases the cost of plan administration, particularly for employers that make numerous business acquisitions. The requirements also causes confusion among plan participants who can have separate parts of their retirement benefits subject to sharply different plan provision and requirements. The increased cost for the plan and the confusion for the participant brought about by the requirement to preserve all forms of distribution are based on a rule intended to protect a participant's right not to have an arbitrary benefit reduction. The current rule sweeps too broadly since it protects both significant and insignificant rights. Where a participant determines the rights to be insignificant and wants to consolidate his or her retirement benefits, there is no reason not to permit his consolidation. This consolidation increases portability and reduces administrative costs.

RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS, THE ''SAME DESK'' RULE

Generally, under current law, distributions from 401(k) plans are limited to separation from service, death, disability, age 59½, hardship, plan termination without maintenance of another plan, and certain corporate transactions. The term ''separation from service'' has been interpreted to include a ''same desk'' rule. Under the ''same desk'' rule, distributions to a terminated employee are not permitted if the employee continues performing the same functions for a successor employer (such as a joint venture owned in part by the former employer or the buyer in a business acquisition). The same desk rule also applies to section 403(b) arrangements and section 457 plans, but does not apply to other types of plans such as defined benefit plans.

Under this proposal, the ''same desk rule'' would be eliminated by replacing ''separation from service'' with ''severance from employment''. Conforming changes would be mad in the comparable provisions of section 403(b) arrangements and eligible deferred compensation plans under section 457. This change would apply to distributions after December 31, 1998.

Under this proposal, affected employees would be able to roll over their 401(k) account balance to an IRA or to their new employer's 401(k) plan. Modifying the same desk rule so that all of a worker's retirement funds can be transferred to the new employer after a business sale has taken place will allow the employee to keep his or her retirement nest egg in a single place. It will also coordinate the treatment of defined benefit plan benefits with the treatment of 401(k) plans in these types of transactions. Employees do not understand why their 401(k) account must remain with the former employer until they terminate employment with their new employer, especially since this restriction does not apply to other plans in which they participate. The corporate transaction exception provides some relief from the same desk rule but is inapplicable in numerous cases.

PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS

Under current law, employees of State and local governments often have the option of purchasing service credits in their State defined benefit plans in order to make up for the time spent in another State or district. These employees cannot currently use the money they have saved in their section 403(b) arrangements or section 457 plans to purchase these service credits.

This proposal would permit State and local government employees the option to use the funds in their section 403(b) arrangements or section 457 deferred compensation plans to purchase service credits.

These changes would apply to trustee-to-trustee transfers after December 31, 1998.

This change will permit employees of State and local governments, particularly teachers, who often move between States and school districts in the course of their careers, to buy a larger defined benefit pension with the savings they have accumulated in a section 403(b) arrangement or section 457 deferred compensation plan. The greater number of years of credit that they purchase would reflect a full career of employment rather than two or more shorter periods of employment in different States or districts. Allowing the more flexible use of existing account balances in 403(b) arrangements or section 457 plans will allow more of these employees to purchase service credits and earn a full defined benefit pension.

MISSING PARTICIPANTS PROGRAM

Under current law in the case of certain terminated single employer defined benefit plans, the Pension Benefit Guaranty Corporation (PBGC) will act as a clearinghouse for benefits due to participants who cannot

be located (''missing participants''). Under the program, when a plan is terminated and is unable to locate former workers who are entitled to benefits, the terminating plan is allowed to transfer these benefits to the PBGC which then attempts to locate the employees in question. The missing participants program is limited to certain defined benefit plans.

This proposal would expand the PBGC's missing participant program to cover multiemployer defined benefit pension plans. The program would not apply to governmental plans or to church plans not covered by the PBGC, however. If a plan covered by the new program has missing participants when the plan terminates, at the option of the plan (or employer, in the case of a single employer plan), the missing participants' benefits could be transferred to the PBGC along with related information.

This change would take effect with respect to distributions from t4erminating multiemployer plans that occur after the PBGC has adopted final regulations implementing the provision.

By permitting sponsors the option of transferring pension funds to the PBGC, the chances that a missing participant will be able to recover benefits could be increased.

DISREGARDING ROLLOVERS FOR PURPOSES OF THE CASH OUT AMOUNT

Under current law, if a terminated participant has a vested accrued benefit of $5,000 or less, the plan may distribute such benefit in a lump sum without the consent of the participant or the participant's spouse. This $5,000 cash-out limit is not indexed for inflation. In applying the $5,000 cash-out rule, the plan sponsor is under regulations required to look back to determine if an individual's account every exceeded $5,000 at the time of any prior distribution. Rollover amounts count in determining the maximum balance which can be involuntarily cashed out.

This proposal would allow a plan sponsor to disregard rollover amounts in determining eligibility for the cash-out rule, that is, whether a participant's vested accrued benefit exceeds $5,000.

This proposal would apply to distributions after December 31, 1998.

The reason for this change is to remove a possible reason for employers to refuse to accept rollovers.

PLAN AMENDMENTS

Under current law, there is generally a short period of time to make plan amendments that reflect the amendments to the law. In addition, the anti-cutback rules can have the unintentioned effect of preventing an employer from amending its plan to reflect a change in the law.

Amendments to a plan or annuity contract made pursuant to any amendment made by this bill are not required to be made before the last day of the first plan year beginning on or after January 1, 2001. In the case of a governmental plan, the date for amendments is extended to the first plan year beginning on or after January 1, 2003. Operational compliance would, of course be required with respect to all plans as of the applicable effective date of any amendment made by this Act.

In addition, timely amendments to a plan or annuity contract made pursuant to any amendment made by this Act shall be deemed to satisfy the anti-cutback rules.

The reason for this change is that plan sponsors need an appropriate amount of time to make changes to their plan documents.

By Mr. LOTT (for Mr. NICKLES, for himself, Mr. FRIST, Ms. COLLINS, Mr. JEFFORDS, Mr. ROTH, Mr. SANTORUM, Mr. HAGEL, Mr. GRAMM, Mr. COATS, Mr. LOTT, Mr. MACK, Mr. CRAIG, Mr. COVERDELL, Mr. ABRAHAM, Mr. ALLARD, Mr. ASHCROFT, Mr. BENNETT, Mr. BOND, Mr. BROWNBACK, Mr. BURNS, Mr. COCHRAN, Mr. DOMENICI, Mr. ENZI, Mr. FAIRCLOTH, Mr. GORTON, Mr. GRAMS, Mr. GRASSLEY, Mr. HATCH, Mr. HELMS, Mr. HUTCHINSON, Mrs. HUTCHISON, Mr. INHOFE, Mr. KEMPTHORNE, Mr. LUGAR, Mr. MCCAIN, Mr. MURKOWSKI, Mr. ROBERTS, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. THOMAS, Mr. THOMPSON, Mr. THURMOND, and Mr. WARNER):

S. 2330. A bill to improve the access and choice of patients to quality, affordable health care; read the first time.

PATIENTS' BILL OF RIGHTS

Mr. NICKLES. Mr. President, today I am introducing the Republican Patients' Bill of Rights. Joining me in this effort are 46 of my colleagues who recognize the importance of ensuring that all Americans are able to not only receive the care they have been promised, but also receive the highest quality of care available. The foundation of this proposal was to address some of the very real concerns that consumers have about their health care needs.

We know that many Americans have believed they were denied coverage that their plans were supposed to cover. We recognize that some individuals fear that their health care plans will not give them access to specialists when they need them. We know that some Americans think their health care plans care more about cost than they do about quality.

In contrast, we also know that many Americans are happy and satisfied with their health care plan. We know that 81 percent of managed care enrollees are satisfied with their current health care plan. Another recent analysis suggest that 79 percent of consumers in HMOs would recommend their coverage. In addition Americans are leery of Washington solutions and increased federal intervention.

Last January, the Leader asked me to put together a group of colleagues to address the issue of health care quality. For the past seven months, Senators FRIST, COLLINS, HAGEL, ROTH, JEFFORDS, COATS, SANTORUM, and GRAMM worked tirelessly to put together a responsible, credible package that would preserve what is best about our Nation's health care while at the same time determine ways to improve upon—without stifling—the quality of care our nation delivers. We set out to rationally examine the issues and develop reasonable solutions without injuring patient access to affordable, high quality care.

This was no easy task. We spent month after month talking to experts who understand the difficulty and complexity of our system. We met with representatives from all aspects of the industry including the Mayo Clinic, the Henry Ford Health Systems, the American Medical Association, the American Hospital Association, the National Committee for Quality Assurance, the Joint Commission on the Accreditation of Healthcare Organizations, Corporate Medical Directors, Commissioners from the President's Quality Commission, Purchasers, Families USA, the Employee Benefit Research Institute and many others.

After many, many months of dissecting serious questions about our system we determined that there were indeed some areas in which we could improve patient access and quality.

We have put together an innovative plan that will answer the problems that exist in the industry while at the same time preserving affordability, which is of utmost importance. Mr. President, I think you agree that if someone loses their health insurance because a politician playing doctor drives prices to an unaffordable level, you have hardly given them more rights or better quality health care.

We are proud of what we have been able to accomplish. For the first time, patients can choose to be unencumbered in their relationship with their doctor. They will be able to choose their own doctor and get the middle man out of the way. There will be no corporate bureaucrat, no government bureaucrat and no lawyer standing between a patient and their doctor.

Mr. President, the bill we introduce today:

Protects consumers in employer-sponsored plans that are exempt from state regulation. People enrolled in such plans will have the right to:

Choose their doctors. Our bill contains both ''point-of-service'' and ''continuity of care'' requirements that will enhance consumer choice.

See their ob-gyns and pediatricians without referral. Our bill will give patients direct access to pediatricians and ob-gyns without prior referral from a ''gatekeeper.''

Have a ''prudent layperson'' standard applied to their claims for emergency care. The GOP alternative will require health plans to cover—without prior authorization—emergency care that a ''prudent layperson'' would consider medically necessary.

Communicate openly with their doctors without ''gag'' clauses.

Holds health plans accountable for their decisions.

Extends to enrollees in ERISA health plans and their doctors the right to appeal adverse coverage decisions to a physician who was not involved in the initial coverage determination.

Allows enrollees to appeal adverse coverage determinations to independent medical experts who have no affiliation with the health plan. Determinations by these experts will be binding on the health plan.

Requires health plans to disclose to enrollees consumer information, including what's covered, what's not,

how much they'll have to pay in deductibles and coinsurance, and how to appeal adverse coverage decisions to independent medical experts.

Guarantees consumers access to their medical records.

Requires health care providers, health plans, employers, health and life insurers, and schools and universities to permit an individual to inspect, copy and amend his or her own medical information.

Requires health care providers, health plans, health oversight agencies, public health authorities, employers, health and life insurers, health researchers, law enforcement officials, and schools and universities to establish appropriate safeguards to protect the confidentiality, security, accuracy and integrity of protected health information and notify enrollees of these safeguards.

Protects patients from genetic discrimination in health insurance. Prohibits health plans from collecting or using predictive genetic information about a patient to deny health insurance coverage or set premium rates.

Promotes quality improvement by supporting research to give patients and physicians better information regarding quality.

Establishes the Agency for Healthcare Quality Research (AHQR), whose purpose is to foster overall improvement in healthcare quality and bridge the gap between what we know and what we do in healthcare today. The Agency is built on the platform of the current Agency for Health Care Policy and Research, but is refocused and enhanced to become the hub and driving force of federal efforts to improve the quality of healthcare in all practice environments—not just managed care.

The role of the Agency is not to mandate a national definition of quality, but to support the science necessary to provide information to patients regarding the quality of the care they receive, to allow physicians to compare their quality outcomes with their peers, and to enable employers and individuals to be prudent purchasers based on quality.

Supports research, screening, treatment, education, and data collection activities to improve the health of women.

Promotes basic and clinical research for osteoporosis; breast and ovarian cancer; and aging processes regarding women.

Expands research efforts into the underlying causes and prevention of cardiovascular diseases in women—the leading cause of death among American women.

Supports data collection through the National Center for Health Statistics and the National Program of Cancer Registries, which are the leading sources of national data on the health status of women in the U.S.

Supports the National Breast and Cervical Cancer Early Detection Program, which provides for regular screening for breast and cervical cancers to underserved women.

Requires that the length of hospital stay after a mastectomy, lumpectomy or lymph node dissection be determined only by the physician, in consultation with the patient, and without the need to obtain authorization from the health plan. If a plan covers mastectomies, it also must cover breast reconstruction after a mastectomy.

Makes health insurance more accessible and affordable by:

Allowing self-employed people to deduct the full amount of their health care premiums.

Making medical savings accounts available to everyone.

Reforming cafeteria plans to let consumers save for future health care costs.

Mr. President, this bill is a comprehensive bill of rights that will benefit all Americans, and I am proud to join with so many of my colleagues in introducing it.

Mr. President, I want to take a moment to address some criticisms that have been made of our bill. These criticisms highlight some significant differences between our bill and the health care bill introduced by Senate Democrats. Mr. President, our bill does differ significantly from the Senate Democrats' bill.

Our bill is the ''Patients' Bill of Rights.'' Theirs is the ''Lawyers' Right to Bill.''

Our bill lets doctors decide whether care is medically necessary. Theirs lets lawyers decide.

Our bill empowers an independent medical expert to order an insurance company to pay for medically necessary care so that patients suffer no harm. Theirs allows trial lawyers to sue health plans after harm is done.

Mr. President, when my insurance company tells me that they won't cover a service for my family, I want the ability to appeal that decision to a doctor who doesn't work for my insurance company. And I want that appeal handled promptly, so that my family receives the benefit. That is what our bill requires.

The Democrats' bill creates new ways for trial lawyers to make money. According to a June 1998 study by Multinational Business Services, the Democrats' bill would create 56 new Federal causes of action—56 new reasons to sue people in Federal court.

That's fine for trial lawyers, but it doesn't do much for patients. Patients want their claim disputes handled promptly and fairly. According to a study by the General Accounting Office, it takes an average of 25 months—more than two years—to resolve a malpractice suit. One cause that the GAO studied took 11 years to resolve! I'm sure the lawyers who handled that case did quite well for themselves. But what about the patient?

Under our bill, patients can appeal directly to an outside medical expert for a prompt review of their claim—without having to incur any legal expenses. In medical malpractice litigation, patients receive an average of only 43 cents of every dollar awarded. The rest goes to lawyers and court fees.

Our bill assures that health care dollars are used to serve patients. Their bill diverts these dollars away from patients and into the pockets of trial lawyers.

Another big difference between our bill and the one introduced by Senate Democrats is that their bill takes a ''big government'' approach to health reform.

Mr. President, it was just four years ago that we debated Clintoncare on the Senate floor. President Clinton wanted government-run health care for all Americans. He wanted it then; he wants it still.

Just last September, President Clinton told the Service Employees Union that he was ''glad'' that he had pushed for the federal government to take over health care. ''Now if what I tried to do before won't work,'' the President said, ''maybe we can do it another way. A step at a time until we eventually finish this.''

The Democrats' bill would take us a step closer to the President's dream of a health care system run by federal bureaucrats and trial lawyers. The study I cited earlier by Multinational Business Services found that their bill would impose 359 new federal mandates, 59 new sets of Federal regulations, and require the government to hire 3,828 new federal bureaucrats.

Our bill relies on State Insurance Commissioners to protect those Americans who are enrolled in state-regulated plans. We protect the unprotected by providing new federal safeguards to the 48 million Americans who are enrolled in plans that the states are not permitted to regulate.

Their bill imposes a risky and complicated scheme that relies on federal bureaucrats at the Health Care Financing Administration (HCFA) to enforce patients' rights in states that do not conform to the federal mandates in their bill.

HCFA is the agency that oversees the federal Medicare and Medicaid programs. Last year, in the Balanced Budget Act, Congress created new consumer protections for Medicare beneficiaries—a ''Patients' Bill of Rights'' for the 38.5 million senior citizens and disabled Americans who rely on Medicare for their health care.

We asked HCFA to protect those rights. How have they done? I regret to say, Mr. President, that they have not done very well at all.

On July 16, a GAO witness testified before the Ways and Means Committee on how well HCFA was doing in enforcing the Medicare patients' bill of rights. According to GAO, HCFA has ''missed 25 percent of the implementation deadlines, including the quality-of-care medical review process for skilled nursing facilities. It is clear

that HCFA will continue to miss implementation deadlines as it attempts to balance the resource demands generated by the Balanced Budget Act with other competing objectives.''

Mr. President, I won't detail all of the ways that HCFA has failed—the fact that it is delaying implementation of a prostate screening program to which Medicare beneficiaries are entitled, the fact that it has failed to establish a quality-of-care medical review process for skilled nursing facilities, the fact that it is far behind schedule in developing a new payment system for home health services. The list goes on and on.

But let me focus on one failure that is especially relevant. All of us agree that people have the right to information about their health plans. When they have the choice of more than one plan, accurate information that compares the plans is critical.

Last year, Congress allocated $95 million to HCFA to develop an information and education program for Medicare beneficiaries. This money was to be used for publishing and mailing handbooks containing comparative plan information to seniors, establishing a toll-free number and Internet website, and sponsoring health information fairs.

Well, there haven't been any information fairs and the toll-free number isn't operational. They do have a website, but they've decided to mail comparative information handbooks only to seniors in 5 states: Washington, Oregon, Ohio, Florida and Arizona. So for the princely sum of a $95 million, only about 5.5 million seniors will receive important information about their health plans, leaving 32.5 million seniors without these handbooks. At that rate, HCFA would need more than $1 billion each year just for handbooks.

Mr. President, if this agency is struggling to protest the rights of 38.5 million Medicare beneficiaries, how can we ask it to protect the rights of up as many as 100 million people enrolled in private health plans?

We believe that consumer protections are too important to entrust to a cumbersome and inefficient federal government. State governments have long been in the business of insurance regulation and the federal government should not usurp their role.

The federal government should protect those who are enrolled in plans that are exempt from state regulation and those enrolled in the programs it runs, like Medicare and Medicaid. The federal government should start protecting the rights of senior citizens under Medicare, instead of meddling in areas where it doesn't belong.

Mr. President, our bill is a truly comprehensive bill of rights for patients, providing new consumer protections for the 48 million Americans who are unprotected by state law, giving the 124 million Americans enrolled in employer-sponsored plans new rights to appeal adverse coverage decisions, protecting the civil rights of consumers to gain access to their medical records, protecting consumers against discrimination based on genetic tests, promoting quality improvement, establishing a new women's health initiative, and giving millions of Americans access to affordable health insurance through medical savings accounts.

The doctor-patient relationship is one of the most important in people's lives. Our legislation preserves and protects that relationship, while taking many common-sense steps forward to affirm and expand quality and access. I look forward with my colleagues and many cosponsors, to the floor debate on this vital issue.

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

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

S. 2330

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Patients' Bill of Rights Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—PATIENT BILL OF RIGHTS

Subtitle A—Right to Advice and Care

SEC. 101. PATIENT RIGHT TO MEDICAL ADVICE AND CARE.

(a) IN GENERAL.—Part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended—

(1) by redesignating subpart C as subpart D; and

(2) by inserting after subpart B the following:

"Subpart C—Patient Right to Medical Advice and Care

"SEC. 721. PATIENT ACCESS TO EMERGENCY MEDICAL CARE.

''(a) IN GENERAL.—To the extent that the group health plan provides coverage for benefits consisting of emergency medical care (as defined in subsection (c)), except for items or services specifically excluded—

''(1) the plan shall provide coverage for benefits, without requiring preauthorization, for appropriate emergency medical screening examinations (within the capability of the emergency facility) to the extent that a prudent layperson, who possesses an average knowledge of health and medicine, would determine such examinations to be necessary to determine whether emergency medical care (as so defined) is necessary, and

''(2) the plan shall provide coverage for benefits for additional emergency medical services following an emergency medical screening examination (if determined necessary under paragraph (1)) to the extent that a prudent emergency medical professional would determine such additional emergency services to be necessary to avoid the consequences described in paragraph (2) of subsection (c).

''(b) UNIFORM COST-SHARING REQUIRED.—Nothing in this section shall be construed as preventing a group health plan from imposing any form of cost-sharing applicable to any participant or beneficiary (including coinsurance, copayments, deductibles, and any other charges) in relation to coverage for benefits described in subsection (a), if such form of cost-sharing is uniformly applied under such plan, with respect to similarly situated participants and beneficiaries, to all benefits consisting of emergency medical care (as defined in subsection (c)) provided to such similarly situated participants and beneficiaries under the plan.

''(c) DEFINITION OF EMERGENCY MEDICAL CARE.—In this section:

''(1) IN GENERAL.—The term ''emergency medical care'' means, with respect to a participant or beneficiary under a group health plan, covered inpatient and outpatient services that—

''(A) are furnished by a provider that is qualified to furnish such services; and

''(B) are needed to evaluate or stabilize an emergency medical condition (as defined in paragraph (2)).

''(2) EMERGENCY MEDICAL CONDITION.—The term ''emergency medical care'' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in—

''(A) placing the health of the participant or beneficiary (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy,

''(B) serious impairment to bodily functions, or

''(C) serious dysfunction of any bodily organ or part.

"SEC. 722. OFFERING OF CHOICE OF COVERAGE OPTIONS.

''(a) REQUIREMENT.—

''(1) OFFERING OF POINT-OF-SERVICE COVERAGE OPTION.—Except as provided in paragraph (2), if a group health plan provides coverage for benefits only through a defined set of participating health care professionals, the plan shall offer the participant the option to purchase point-of-service coverage (as defined in subsection (b)) for all such benefits for which coverage is otherwise so limited. Such option shall be made available to the participant at the time of enrollment under the plan and at such other times as the plan offers the participant a choice of coverage options.

''(2) EXCEPTION IN THE CASE OF MULTIPLE ISSUER OR COVERAGE OPTIONS.—Paragraph (1) shall not apply with respect to a participant in a group health plan if the plan offers the participant—

''(A) a choice of health insurance coverage through more than one health insurance issuer; or

''(B) two or more coverage options that differ significantly with respect to the use of participating health care professionals or the networks of such professionals that are used.

''(b) POINT-OF-SERVICE COVERAGE DEFINED.—In this section, the term 'point-of-service coverage' means, with respect to benefits covered under a group health plan, coverage of such benefits when provided by a nonparticipating health care professional.

''(c) SMALL EMPLOYER EXEMPTION.—

''(1) IN GENERAL.—This section shall not apply to any group health plan of a small employer.

''(2) SMALL EMPLOYER.—For purposes of paragraph (1), the term 'small employer' means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year. For purposes of this paragraph, the provisions of subparagraph (C) of section 712(c)(1) shall apply in determining employer size.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed—

''(1) as requiring coverage for benefits for a particular type of health care professional;

''(2) as requiring an employer to pay any costs as a result of this section or to make equal contributions with respect to different health coverage options;

''(3) as preventing a group health plan from imposing higher premiums or cost-sharing on a participant for the exercise of a point-of-service coverage option; or

''(4) to require that a group health plan include coverage of health care professionals that the plan excludes because of fraud, quality of care, or other similar reasons with respect to such professionals.

"SEC. 723. PATIENT ACCESS TO OBSTETRIC AND GYNECOLOGICAL CARE.

''(a) IN GENERAL.—In any case in which a group health plan—

''(1) provides coverage for benefits consisting of—

''(A) gynecological care (such as preventive women's health examinations); or

''(B) obstetric care (such as pregnancy-related services);

provided by a participating physician who specializes in such care; and

''(2) requires or provides for designation by a participant or beneficiary of a participating primary care provider;

if the primary care provider designated by such a participant or beneficiary is not such a physician as described in paragraph (1), then the plan shall meet the requirements of subsection (b).

''(b) REQUIREMENTS.—A group health plan meets the requirements of this subsection, in connection with the coverage of benefits described in subsection (a) consisting of care described in subparagraph (A) or (B) of subsection (a)(1), if the plan—

''(1) does not require authorization or a referral by the primary care provider in order to obtain coverage for such benefits, and

''(2) treats the ordering of other routine care of the same type, by the participating physician providing the care described in subparagraph (A) or (B) of subsection (a)(1), as the authorization of the primary care provider with respect to such care.

''(c) RULE OF CONSTRUCTION.—Nothing in subsection (b)(2) shall waive any requirements of coverage relating to medical necessity or appropriateness with respect to coverage of gynecological or obstetric care so ordered.

"SEC. 724. PATIENT ACCESS TO PEDIATRIC CARE.

''(a) IN GENERAL.—In any case in which a group health plan—

''(1) provides coverage for benefits consisting of pediatric care by a participating pediatrician; and

''(2) requires or provides for designation by a participant or beneficiary of a participating primary care provider;

if the primary care provider designated by such a participant or beneficiary is not a physician as described in paragraph (1), then the plan shall meet the requirements of subsection (b).

''(b) REQUIREMENTS.—A group health plan meets the requirements of this subsection, in connection with the coverage of benefits described in subsection (a) consisting of care described in subsection (a)(1), if the plan—

''(1) does not require authorization or a referral by the primary care provider in order to obtain coverage for such benefits, and

''(2) treats the ordering of other routine care of the same type, by the participating

physician providing the care described in subsection (a)(1), as the authorization of the primary care provider with respect to such care.

''(c) CONSTRUCTION.—Nothing in subsection (b)(2) shall waive any requirements of coverage relating to medical necessity or appropriateness with respect to coverage of pediatric care so ordered.

''SEC. 725. CONTINUITY OF CARE.

''(a) IN GENERAL.—

''(1) TERMINATION OF PROVIDER.—If a contract between a group health plan and a health care provider is terminated (as defined in paragraph (2)), or benefits or coverage provided by a health care provider are terminated because of a change in the terms of provider participation in a group health plan, and an individual who is a participant or beneficiary in the plan is undergoing a course of treatment from the provider at the time of such termination, the plan shall—

''(A) notify the individual on a timely basis of such termination, and

''(B) in the case of termination described in paragraph (2), (3), of (4) of subsection (b), and subject to subsection (c), permit the individual to continue or be covered with respect to the course of treatment with the provider's consent during a transitional period (as provided under subsection (b)).

''(2) TERMINATION.—In this section, the term 'terminated' includes, with respect to a contract, the expiration or nonrenewal of the contract by the group health plan, but does not include a termination of the contract by the plan for failure to meet applicable quality standards or for fraud.

''(b) TRANSITIONAL PERIOD.—

''(1) GENERAL RULE.—Except as provided in paragraph (3), the transitional period under this subsection shall extend for up to 90 days from the date of the notice described in subsection (a)(1)(A) of the provider's termination.

''(2) INSTITUTIONAL CARE.—Subject to paragraph (1), the transitional period under this subsection for institutional or inpatient care from a provider shall extend until the discharge or termination of the period of institutionalization and also shall include institutional care provided within a reasonable time of the date of termination of the provider status if the care was scheduled before the date of the announcement of the termination of the provider status under subsection (a)(1)(A) or if the individual on such date was on an established waiting list or otherwise scheduled to have such care.

''(3) PREGNANCY.—Notwithstanding paragraph (1), if—

''(A) a participant or beneficiary has entered the second trimester of pregnancy at the time of a provider's termination of participation; and

''(B) the provider was treating the pregnancy before the date of the termination;

the transitional period under this subsection with respect to provider's treatment of the pregnancy shall extend through the provision of post-partum care directly related to the delivery.

''(4) TERMINAL ILLNESS.—Subject to paragraph (1), if—

''(A) a participant or beneficiary was determined to be terminally ill (as determined under section 1861(dd)(3)(A) of the Social Security Act) prior to a provider's termination of participation; and

''(B) the provider was treating the terminal illness before the date of termination;

the transitional period under this subsection shall extend for the remainder of the individual's life for care directly related to the treatment of the terminal illness.

''(c) PERMISSIBLE TERMS AND CONDITIONS.—A group health plan may condition coverage of continued treatment by a provider under subsection (a)(1)(B) upon the provider agreeing to the following terms and conditions:

''(1) The provider agrees to accept reimbursement from the plan and individual involved (with respect to cost-sharing) at the rates applicable prior to the start of the transitional period as payment in full (or, in the case described in subsection (b)(2), at the rates applicable under the replacement plan after the date of the termination of the contract with the group health plan) and not to impose cost-sharing with respect to the individual in an amount that would exceed the cost-sharing that could have been imposed if the contract referred to in subsection (a)(1) had not been terminated.

''(2) The provider agrees to adhere to the quality assurance standards of the plan responsible for payment under paragraph (1) and to provide to such plan necessary medical information related to the care provided.

''(3) The provider agrees otherwise to adhere to such plan's policies and procedures, including procedures regarding referrals and obtaining prior authorization and providing services pursuant to a treatment plan (if any) approved by the plan.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the coverage of benefits which would not have been covered if the provider involved remained a participating provider.

''(e) DEFINITION.—In this section, the term 'health care provider' or 'provider' means—

''(1) any individual who is engaged in the delivery of health care services in a State and who is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State; and

''(2) any entity that is engaged in the delivery of health care services in a State and that, if it is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State, is so licensed.

''SEC. 726. PROTECTION OF PATIENT-PROVIDER COMMUNICATIONS.

''(a) IN GENERAL.—Subject to subsection (b), a group health plan (in relation to a participant or beneficiary) shall not prohibit a health care professional from advising such a participant or beneficiary who is a patient of the professional about the health status of the participant or beneficiary or medical care or treatment for the condition or disease of the participant or beneficiary, regardless of whether coverage for such care or treatment are provided under the contract, if the professional is acting within the lawful scope of practice.

''(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as requiring a group health plan to provide specific benefits under the terms of such plan.

''SEC. 727. GENERALLY APPLICABLE PROVISIONS.

''(a) APPLICABILITY.—The provisions of this subpart shall apply to group health plans. Such provisions shall not apply to a health insurance issuer that is licensed by a State and subject to State laws that regulate insurance within the meaning of section 514(b)(2), while engaged in the business of insurance in such State.

''(b) TREATMENT OF MULTIPLE COVERAGE OPTIONS.—In the case of a group health plan that provides benefits under 2 or more coverage options, the requirements of sections 721, 723, 724, 725 and 726 shall apply separately with respect to each coverage option.''.

(b) RULE WITH RESPECT TO CERTAIN PLANS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, health insurance issuers may offer, and eligible individuals may purchase, high deductible health plans described in section 220(c)(2)(A) of the Internal Revenue Code of 1986. Effective for the 4-year period beginning on the date of the enactment of this Act, such health plans shall not be required to provide payment for any health care items or services that are exempt from the plan's deductible.

(2) EXISTING STATE LAWS.—A State law relating to payment for health care items and services in effect on the date of enactment of this Act that is preempted under paragraph (1), shall not apply to high deductible health plans after the expiration of the 4-year period described in such paragraph unless the State reenacts such law after such period.

(c) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended—

(1) in the item relating to subpart C, by striking ''Subpart C'' and inserting ''Subpart D''; and

(2) by adding at the end of the items relating to subpart B of part 7 of subtitle B of title I of such Act the following new items:

''SUBPART C—PATIENT RIGHT TO MEDICAL ADVICE AND CARE

''Sec. 721. Patient access to emergency medical care.
''Sec. 722. Offering of choice of coverage options.
''Sec. 723. Patient access to obstetric and gynecological care.
''Sec. 724. Patient access to pediatric care.
''Sec. 725. Continuity of care.
''Sec. 726. Protection of patient-provider communications.
''Sec. 727. Generally applicable provisions.''.

SEC. 102. EFFECTIVE DATE AND RELATED RULES.

(a) IN GENERAL.—The amendments made by this subtitle shall apply with respect to plan years beginning on or after January 1 of the second calendar year following the date of the enactment of this Act. The Secretary shall issue all regulations necessary to carry out the amendments made by this section before the effective date thereof.

(b) LIMITATION ON ENFORCEMENT ACTIONS.—No enforcement action shall be taken, pursuant to the amendments made by this subtitle, against a group health plan with respect to a violation of a requirement imposed by such amendments before the date of issuance of regulations issued in connection with such requirement, if the plan has sought to comply in good faith with such requirement.

Subtitle B—Right to Information About Plans and Providers

SEC. 111. INFORMATION ABOUT PLANS.

(a) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following:

''SEC. 713. HEALTH PLAN COMPARATIVE INFORMATION.

''(a) REQUIREMENT.—A group health plan, or health insurance issuer in connection with group health insurance coverage, shall, not later than 12 months after the date of enactment of this section, provide for the disclosure, in a clear and accurate form to each enrollee, or upon request to a potential enrollee eligible to receive benefits under the plan, or plan sponsor with which the plan or issuer has contracted, of the information described in subsection (b).

''(b) REQUIRED INFORMATION.—The informational materials to be distributed under this section shall include for each health benefit plan the following:

''(1) A description of the covered items and services under each such plan and any in-and out-of-network features of each such plan.

''(2) A description of any cost-sharing, including premiums, deductibles, coinsurance, and copayment amounts, for which the enrollee will be responsible, including any annual or lifetime limits on benefits, for each such plan.

''(3) A description of any optional supplemental benefits offered by each such plan and the terms and conditions (including premiums or cost-sharing) for such supplemental coverage.

''(4) A description of any restrictions on payments for services furnished to an enrollee by a health care professional that is not a participating professional and the liability of the enrollee for additional payments for these services.

''(5) A description of the service area of each such plan, including the provision of any out-of-area coverage.

''(6) A description of the extent to which enrollees may select the primary care provider of their choice, including providers both within the network and outside the network of each such plan (if the plan permits out-of-network services).

''(7) A description of the procedures for advance directives and organ donation decisions if the plan maintains such procedures.

''(8) A description of the requirements and procedures to be used to obtain preauthorization for health services (including telephone numbers and mailing addresses), including referrals for specialty care.

''(9) A summary of the rules and methods for appealing coverage decisions and filing grievances (including telephone numbers and mailing addresses), as well as other available remedies.

''(10) A summary of the rules for access to emergency room care. Also, any available educational material regarding proper use of emergency services.

''(11) A description of whether or not coverage is provided for experimental treatments, investigational treatments, or clinical trials and the circumstances under which access to such treatments or trials is made available.

''(12) A description of the specific preventative services covered under the plan if such services are covered.

''(13) A statement that the following information, and instructions on obtaining such information (including telephone numbers and, if available, Internet websites), shall be made available upon request:

''(A) The names, addresses, telephone numbers, and State licensure status of the plan's participating health care professionals and participating health care facilities, and, if available, the education, training, speciality qualifications or certifications of such professionals.

''(B) A summary description of the methods used for compensating participating health care professionals, such as capitation, fee-for-service, salary, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

''(C) A summary description of the methods used for compensating health care facilities, including per diem, fee-for-service, capitation, bundled payments, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

''(D) A summary description of the procedures used for utilization review.

''(E) The list of the specific prescription medications included in the formulary of the plan, if the plan uses a defined formulary, and any provision for obtaining off-formulary medications.

''(F) A description of the specific exclusions from coverage under the plan.

''(G) Any available information related to the availability of translation or interpretation services for non-English speakers and people with communication disabilities, including the availability of audio tapes or information in Braille.

''(H) Any information that is made public by accrediting organizations in the process of accreditation if the plan is accredited, or any additional quality indicators that the plan makes available.

''(c) MANNER OF DISTRIBUTION.—

''(1) IN GENERAL.—The information described in this section shall be distributed in an accessible format that is understandable to an average plan enrollee.

''(2) RULE OF CONSTRUCTION.—For purposes of this section, a group health plan, or health insurance issuer in connection with group health insurance coverage, in reliance on records maintained by the plan or issuer, shall be deemed to have met the requirements of this section if the plan or issuer provides the information requested under this section—

''(A) in the case of the plan, to participants and beneficiaries at the address contained in such records with respect to such participants and beneficiaries; or

''(B) in the case of the issuer, to the employer of a participant if the employer provides for the coverage of such participant under the plan involved or to participants and beneficiaries at the address contained in such records with respect to such participants and beneficiaries.

''(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed to prohibit a group health plan, or health insurance issuer in connection with group health insurance coverage, from distributing any other additional information determined by the plan or issuer to be important or necessary in assisting participants and beneficiaries enrollees or upon request potential participants in the selection of a health plan or from providing information under subsection (b)(13) as part of the required information.

''(e) HEALTH CARE PROFESSIONAL.—In this section, the term 'health care professional' means a physician (as defined in section 1861(r) of the Social Security Act) or other health care professional if coverage for the professional's services is provided under the health plan involved for the services of the professional. Such term includes a podiatrist, optometrist, chiropractor, psychologist, dentist, physician assistant, physical or occupational therapist and therapy assistant, speech-language pathologist, audiologist, registered or licensed practical nurse (including nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist, and certified nurse-midwife), licensed certified social worker, registered respiratory therapist, and certified respiratory therapy technician.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185(a)) is amended by striking ''section 711, and inserting ''sections 711 and 713''.

(2) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001) is amended by inserting after the item relating to section 712, the following:

''Sec. 713. Health plan comparative information.''.

SEC. 112. INFORMATION ABOUT PROVIDERS.

(a) STUDY.—The Secretary of Health and Human Services shall enter into a contract with the Institute of Medicine for the conduct of a study, and the submission to the Secretary of a report, that includes—

(1) an analysis of information concerning health care professionals that is currently available to patients, consumers, States, and professional societies, nationally and on a State-by-State basis, including patient preferences with respect to information about such professionals and their competencies;

(2) an evaluation of the legal and other barriers to the sharing of information concerning health care professionals; and

(3) recommendations for the disclosure of information on health care professionals, including the competencies and professional qualifications of such practitioners, to better facilitate patient choice, quality improvement, and market competition.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary of Health and Human Services shall forward to the appropriate committees of Congress a copy of the report and study conducted under subsection (a).

Subtitle C—Right to Hold Health Plans Accountable

SEC. 121. AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Section 503 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1133) is amended to read as follows:

''SEC. 503. CLAIMS PROCEDURE, COVERAGE DETERMINATION, GRIEVANCES AND APPEALS.

''(a) CLAIMS PROCEDURE.—In accordance with regulations of the Secretary, every employee benefit plan shall—

''(1) provide adequate notice in writing to any participant or beneficiary whose claim for benefits under the plan has been denied, setting forth the specific reasons for such denial, written in a manner calculated to be understood by the participant, and

''(2) afford a reasonable opportunity to any participant whose claim for benefits has been denied for a full and fair review by the appropriate named fiduciary of the decision denying the claim.

''(b) COVERAGE DETERMINATIONS UNDER GROUP HEALTH PLANS.—

''(1) PROCEDURES.—

''(A) IN GENERAL.—A group health plan or health insurance issuer conducting utilization review shall ensure that procedures are in place for—

''(i) making determinations regarding whether an enrollee is eligible to receive a payment or coverage for health services under the plan or coverage involved and any cost-sharing amount that the enrollee is required to pay with respect to such service;

''(ii) notifying covered enrollees (or the legal representative of such enrollees) and the treating health care professionals involved regarding determinations made under the plan or issuer and any additional payments that the enrollee may be required to make with respect to such service; and

''(iii) responding to requests, either written or oral, for coverage determinations or for internal appeals from an enrollee (or the legal representative of such enrollee) or the treating health care professional.

''(B) ORAL REQUESTS.—With respect to an oral request described in subparagraph (A)(iii), a group health plan or health insurance issuer may require that the requesting individual provide written evidence of such request.

''(2) TIMELINE FOR MAKING DETERMINATIONS.—

''(A) ROUTINE DETERMINATION.—A group health plan or a health insurance issuer shall maintain procedures to ensure that prior authorization determinations concerning the provision of non-emergency items or services are made within 30 days from the date on

which the request for a determination is submitted, except that such period may be extended where certain circumstances exist that are determined by the Secretary to be beyond control of the plan or issuer.

''(B) EXPEDITED DETERMINATION.—

''(i) IN GENERAL.—A prior authorization determination under this subsection shall be made within 72 hours after a request is received by the plan or issuer under clause (ii) or (iii).

''(ii) REQUEST BY ENROLLEE.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection upon the request of an enrollee if, based on such a request, the plan or issuer determines that the normal time for making such a determination could seriously jeopardize the life or health of the enrollee.

''(iii) DOCUMENTATION BY HEALTH CARE PROFESSIONAL.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection if the request involved indicates that the treating health care professional has documented, based on the medical exigencies, that a determination under the procedures described in subparagraph (A) could seriously jeopardize the life or health of the enrollee.

''(C) CONCURRENT DETERMINATIONS.—A plan or issuer shall maintain procedures to certify or deny coverage of an extended stay or additional services.

''(D) RETROSPECTIVE DETERMINATION.—A plan or issuer shall maintain procedures to ensure that, with respect to the retrospective review of a determination made under paragraph (1), the determination shall be made within 30 working days of the date on which the plan or issuer receives all necessary information.

''(3) NOTICE OF DETERMINATIONS.—

''(A) ROUTINE DETERMINATION.—With respect to a coverage determination of a plan or issuer under paragraph (2)(A), the plan or issuer shall issue notice of such determination to the enrollee (or the legal representative of the enrollee), and consistent with the medical exigencies of the case, to the treating health care professional involved not later than 2 working days after the date on which the determination is made.

''(B) EXPEDITED DETERMINATION.—With respect to a coverage determination of a plan or issuer under paragraph (2)(B), the plan or issuer shall issue notice of such determination to the enrollee (or the legal representative of the enrollee), and consistent with the medical exigencies of the case, to the treating health care professional involved within the 72 hour period described in paragraph (2)(B).

''(C) CONCURRENT REVIEWS.—With respect to the determination under a plan or issuer under paragraph (1) to certify or deny coverage of an extended stay or additional services, the plan or issuer shall issue notice of such determination to the treating health care professional and to the enrollee involved (or the legal representative of the enrollee) within 1 working day of the date on which the initial notice was issued.

''(D) RETROSPECTIVE REVIEWS.—With respect to the retrospective review under a plan or issuer of a determination made under paragraph (1), a determination shall be made within 30 working days of the date on which the plan or issuer receives all necessary information. The plan or issuer shall issue written notice of an approval or disapproval of a determination under this subparagraph to the enrollee (or the legal representative of the enrollee) and health care provider involved within 5 working days of the date on which such determination is made.

''(E) REQUIREMENTS OF NOTICE OF ADVERSE COVERAGE DETERMINATIONS.—A written or electronic notice of an adverse coverage determination under this subsection, or of an expedited adverse coverage determination under paragraph (2)(B), shall be provided to the enrollee (or the legal representative of the enrollee) and treating health care professional (if any) involved and shall include—

''(i) the reasons for the determination (including the clinical or scientific-evidence based rationale used in making the determination) written in a manner to be understandable to the average enrollee;

''(ii) the procedures for obtaining additional information concerning the determination; and

''(iii) notification of the right to appeal the determination and instructions on how to initiate an appeal in accordance with subsection (d).

''(c) GRIEVANCES.—A group health plan or a health insurance issuer shall have written procedures for addressing grievances between the plan and enrollees. Determinations under such procedures shall be non-appealable.

''(d) INTERNAL APPEAL OF COVERAGE DETERMINATIONS.—

''(1) IN GENERAL.—An enrollee (or the legal representative of the enrollee) and the treating health care professional with the consent of the enrollee (or the legal representative of the enrollee), may appeal any adverse coverage determination under subsection (b) under the procedures described in this subsection.

''(2) RECORDS.—A group health plan and a health insurance issuer shall maintain written records, for at least 6 years, with respect to any appeal under this subsection for purposes of internal quality assurance and improvement.

''(3) ROUTINE DETERMINATIONS.—A group health plan or a health insurance issuer shall provide for the consideration of an appeal of an adverse routine determination under this subsection not later than 30 working days after the date on which a request for such appeal is received.

''(4) EXPEDITED DETERMINATION.—

''(A) IN GENERAL.—An expedited determination with respect to an appeal under this subsection shall be made in accordance with the medical exigencies of the case, but in no case more than 72 hours after the request for such appeal is received by the plan or issuer under subparagraph (B) or (C).

''(B) REQUEST BY ENROLLEE.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection upon the request of an enrollee if, based on such a request, the plan or issuer determines that the normal time for making such a determination could seriously jeopardize the life or health of the enrollee.

''(C) DOCUMENTATION BY HEALTH CARE PROFESSIONAL.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection if the request involved indicates that the treating health care professional has documented, based on the medical exigencies that a determination under the procedures described in paragraph (2) could seriously jeopardize the life or health of the enrollee.

''(5) CONDUCT OF REVIEW.—A review of an adverse coverage determination under this subsection shall be conducted by an individual with appropriate expertise who was not involved in the initial determination.

''(6) LACK OF MEDICAL NECESSITY.—An appeal under this subsection relating to a determination to deny coverage based on a lack of medical necessity or appropriateness, or based on an experimental or investigational treatment, shall be made only by a physician with appropriate expertise in the field of medicine involved who was not involved in the initial determination.

''(7) NOTICE.—

''(A) IN GENERAL.—Written notice of a determination made under an internal review process shall be issued to the enrollee (or the legal representative of the enrollee) and the treating health care professional not later than 2 working days after the completion of the review (or within the 72-hour period referred to in paragraph (4) if applicable).

''(B) ADVERSE COVERAGE DETERMINATIONS.—With respect to an adverse coverage determination made under this subsection, the notice described in subparagraph (A) shall include—

''(i) the reasons for the determination (including the clinical or scientific-evidence based rationale used in making the determination) written in a manner to be understandable to the average enrollee;

''(ii) the procedures for obtaining additional information concerning the determination; and

''(iii) notification of the right to an external review under subsection (e) and instructions on how to initiate such a review.

''(e) EXTERNAL REVIEW.—

''(1) IN GENERAL.—A group health plan or a health insurance issuer shall have written procedures to permit an enrollee (or the legal representative of the enrollee) access to an external review with respect to a coverage determination concerning a particular item or service where the plan, in consultation with the plan's legal representative, has determined that—

''(A) the particular item or service involved, when medically appropriate and necessary, is generally a covered benefit under the terms and conditions of the contract between the plan or issuer and the enrollee;

''(B) the coverage determination involved denied coverage for such item or service because the provision of such item or service—

''(i) does not meet the plan's or issuer's requirements for medical appropriateness or necessity and the amount involved exceeds $1,000; or

''(ii) would constitute experimental or investigational treatment and there is a significant risk of placing the life or health of the enrollee in jeopardy; and

''(C) the enrollee has completed the internal appeals process with respect to such determination.

''(2) INITIATION OF THE EXTERNAL REVIEW PROCESS.—

''(A) FILING OF REQUEST.—An enrollee (or the legal representative of the enrollee) who desires to have an external review conducted under this subsection shall file a written request for such a review with the plan or issuer involved not later than 30 working days after the receipt of a final denial of a claim under subsection (d). Any such request shall include the consent of the enrollee (or the legal representative of the enrollee) for the release of medical information and records to external reviewers regarding the enrollee if such information is necessary for the proper conduct of the external review.

''(B) INFORMATION AND NOTICE.—Not later than 5 working days after the receipt of a request under subparagraph (A), the plan or issuer involved shall select an external appeals entity under paragraph (3)(A) that shall be responsible for designating an external reviewer under paragraph (3)(B).

''(C) PROVISION OF INFORMATION.—The plan or issuer involved shall forward all necessary information (including medical records, any relevant review criteria, the clinical rationale consistent with the terms and conditions of the contract between the plan or issuer and the enrollee for the coverage denial, and evidence of the enrollee's coverage) to the

external reviewer selected under paragraph (3)(B).

''(D) NOTIFICATION.—The plan or issuer involved shall send a written notification to the enrollee (or the legal representative of the enrollee) and the plan administrator, indicating that an external review has been initiated.

''(3) CONDUCT OF EXTERNAL REVIEW.—

''(A) DESIGNATION OF EXTERNAL APPEALS ENTITY BY PLAN OR ISSUER.—A plan or issuer that receives a request for an external review under paragraph (2)(A) shall designate one of the following entities to serve as the external appeals entity:

''(i) An external review entity licensed or credentialed by a State.

''(ii) A State agency established for the purpose of conducting independent external reviews.

''(iii) Any entity under contract with the Federal Government to provide external review services.

''(iv) Any entity accredited as an external review entity by an accrediting body recognized by the Secretary for such purpose.

''(v) Any fully accredited teaching hospital.

''(vi) Any other entity meeting criteria established by the Secretary for purposes of this subparagraph.

''(B) DESIGNATION OF EXTERNAL REVIEWER BY EXTERNAL APPEALS ENTITY.—The external appeals entity designated under subparagraph (A) shall designate one or more individuals to serve as external reviewers with respect to a request receives under paragraph (2)(A). Such reviewers shall be independent medical experts who shall—

''(i) be appropriately credentialed or licensed in any State to deliver health care services;

''(ii) not have any material, professional, familial, or financial affiliation with the case under review, the enrollee involved, the treating health care professional, the institution where the treatment would take place, or the manufacturer or any drug, device, procedure, or other therapy proposed for the enrollee whose treatment is under review;

''(iii) be experts in the treatment of the enrollee's medical condition and knowledgeable about the recommended therapy;

''(iv) receive only reasonable and customary compensation from the group health plan or health insurance issuer in connection with the external review that is not contingent on the decision rendered by the reviewer; and

''(v) not be held liable for decisions regarding medical determinations (but may be held liable for actions that are arbitrary and capricious).

''(4) STANDARD OF REVIEW.—

''(A) IN GENERAL.—An external reviewer shall—

''(i) make a determination based on the medical necessity, appropriateness, experimental or investigational nature of the coverage denial;

''(ii) take into consideration any evidence-based decision making or clinical practice guidelines used by the group health plan or health insurance issuer in conducting utilization review; or

''(iii) submit a report on the final determinations of the review involved to—

''(I) the plan or issuer involved;

''(II) the enrollee involved (or the legal representative of the enrollee); and

''(III) the health care professional involved.

''(B) NOTICE.—The plan or issuer involved shall ensure that the enrollee receives notice, within 30 days after the determination of the independent medical expert, regarding the actions of the plan or issuer with respect to the determination of such expert under the external review.

''(5) TIMEFRAME FOR REVIEW.—An external reviewer shall complete a review of an adverse coverage determination in accordance with the medical exigencies of the case, but in no case later than 30 working days after the later of—

''(A) the date on which such reviewer is designated; or

''(B) the date on which all information necessary to completing such review is received.

''(6) BINDING DETERMINATION.—The determination of an external reviewer under this subsection shall be binding upon the plan or issuer if the provisions of this subsection or the procedures implemented under such provisions were complied with by the external reviewer.

''(7) STUDY.—Not later than 2 years after the date of enactment of this section, the General Accounting Office shall conduct a study of a statistically appropriate sample of completed external reviews. Such study shall include an assessment of the process involved during an external review and the basis of decisionmaking by the external reviewer. The results of such study shall be submitted to the appropriate committees of Congress.

''(8) CONTINUING LEGAL RIGHTS OF ENROLLEES.—Nothing in this section shall be construed as removing any legal rights of participants, beneficiaries, enrollees, and others under State or Federal law, including the right to file judicial actions to enforce rights.

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit a plan administrator or plan fiduciary or health plan medical director from requesting an external review by an external reviewer without first completing the internal review process.

''(g) DEFINITIONS.—In this section:

''(1) ADVERSE COVERAGE DETERMINATION.—The term 'adverse coverage determination' means a coverage determination under the plan which results in a denial of coverage or reimbursement.

''(2) COVERAGE DETERMINATION.—The term 'coverage determination' means with respect to items and services for which coverage may be provided under a health plan, a determination of whether or not such items and services are covered or reimbursable under the coverage and terms of the contract.

''(3) ENROLLEE.—The term enrollee means a participant or beneficiary.

''(4) GRIEVANCE.—The term 'grievance' means any enrollee complaint that does not involve a coverage determination.

''(5) PRIOR AUTHORIZATION DETERMINATION.—The term 'prior authorization determination' means a coverage determination prior to the provision of the items and services as a condition of coverage of the items and services under the coverage.

''(6) TREATING HEALTH CARE PROFESSIONAL.—The term 'treating health care professional' with respect to a group health plan, health insurance issuer or provider sponsored organization means a practitioner who is acting within the scope of their State licensure or certification for the delivery of health care services and who is primarily responsible for delivering those services to the enrollee.

''(7) UTILIZATION REVIEW.—The term 'utilization review' with respect to a group health plan or health insurance coverage means a set of formal techniques designed to monitor the use of, or evaluate the clinical necessity, appropriateness, efficacy, or efficiency of, health care services, procedures, or settings. Techniques may include ambulatory review, prospective review, second opinion, certification, concurrent review, case management, discharge planning or retrospective review.''.

(b) ENFORCEMENT.—Section 502(c)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(c)(1)) is amended by inserting after ''or section 101(e)(1)'' the following: '', or fails to comply with a coverage determination as required under section 503(e)(6),''.

(c) CONFORMING AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by strike the item relating to section 503 and inserting the following new item:

''Sec. 503. Claims procedures, coverage determination, grievances and appeals.''.

TITLE II—INDIVIDUAL RIGHTS WITH RESPECT TO PERSONAL MEDICAL INFORMATION

SEC. 201. SHORT TITLE.

This title may be cited as the ''Personal Medical Information Access Act''.

Subtitle A—Access to Medical Records

SEC. 211. INSPECTION AND COPYING OF PROTECTED HEALTH INFORMATION.

(a) IN GENERAL.—At the request of an individual and except as provided in subsection (b), a health care provider, health plan, employer, health or life insurer, school, or university shall permit an individual who is the subject of protected health information or the individual's designee, to inspect and copy protected health information concerning the individual, including records created under section 212 that such entity maintains. Such entity may set forth appropriate procedures to be followed for such inspection or copying and may require an individual to pay reasonable costs associated with such inspection or copying.

(b) EXCEPTIONS.—Unless ordered by a court of competent jurisdiction, an entity described in subsection (a) is not required to permit the inspection or copying of protected health information if any of the following conditions are met:

(1) ENDANGERMENT TO LIFE OR SAFETY.—The entity determines that the disclosure of the information could reasonably be expected to endanger the life or physical safety of an individual.

(2) CONFIDENTIAL SOURCE.—The information identifies, or could reasonably lead to the identification of, a person who provided information under a promise of confidentiality concerning the individual who is the subject of the information.

(3) INFORMATION COMPILED IN ANTICIPATION OF LITIGATION.—The information is compiled principally—

(A) in the reasonable anticipation of a civil, criminal, or administrative action or proceeding; or

(B) for use in such an action or proceeding.

(4) RESEARCH PURPOSES.—The information was collected for a research project monitored by an institutional review board, such project is not complete, and the researcher involved reasonably believes that access to such information would harm the conduct of the research or invalidate or undermine the validity of the research.

(c) DENIAL OF A REQUEST FOR INSPECTION OR COPYING.—If an entity described in subsection (a) denies a request for inspection or copying pursuant to subsection (b), the entity shall inform the individual in writing of—

(1) the reasons for the denial of the request for inspection or copying;

(2) any procedures for further review of the denial; and

(3) the individual's right to file with the entity a concise statement setting forth the request for inspection or copying.

(d) STATEMENT REGARDING REQUEST.—If an individual has filed a statement under subsection (c)(3), the entity in any subsequent disclosure of the portion of the information requested under subsection (a) shall include—

(1) a copy of the individual's statement; and

(2) a concise statement of the reasons for denying the request for inspection or copying.

(e) INSPECTION AND COPYING OF SEGREGABLE PORTION.—An entity described in subsection (a) shall permit the inspection and copying under subsection (a) of any reasonably segregable portion of protected health information after deletion of any portion that is exempt under subsection (b).

(f) DEADLINE.—An entity described in subsection (a) shall comply with or deny, in accordance with subsection (c), a request for inspection or copying of protected health information under this section not later than 45 days after the date on which the entity receives the request.

(g) RULES GOVERNING AGENTS.—An agent of an entity described in subsection (a) shall not be required to provide for the inspection and copying of protected health information, except where—

(1) the protected health information is retained by the agent; and

(2) the agent has received in writing a request from the entity involved to fulfill the requirements of this section;

at which time such information shall be provided to the requesting entity. Such requesting entity shall comply with subsection (f) with respect to any such information.

(h) RULE OF CONSTRUCTION.—This section shall not be construed to require an entity described in subsection (a) to conduct a formal, informal, or other hearing or proceeding concerning a request for inspection or copying of protected health information.

SEC. 212. AMENDMENT OF PROTECTED HEALTH INFORMATION.

(a) REQUIREMENT.—

(1) IN GENERAL.—Except as provided in subsection (b) and subject to paragraph (2), a health care provider, health plan, employer, health or life insurer, school, or university that receives from an individual a request in writing to amend protected health information shall—

(A) amend such information as requested;

(B) inform the individual of the amendment that has been made; and

(C) make reasonable efforts to inform any person to whom the unamended portion of the information was previously disclosed, of any nontechnical amendment that has been made.

(2) COMPLIANCE.—An entity described in paragraph (1) shall comply with the requirements of such paragraph within 45 days of the date on which the request involved is received if the entity—

(A) created the protected health information involved; and

(B) determines that such information is in fact inaccurate.

(b) REFUSAL TO AMEND.—If an entity described in subsection (a) refuses to make the amendment requested under such subsection, the entity shall inform the individual in writing of—

(1) the reasons for the refusal to make the amendment;

(2) any procedures for further review of the refusal; and

(3) the individual's right to file with the entity a concise statement setting forth the requested amendment and the individual's reasons for disagreeing with the refusal.

(c) STATEMENT OF DISAGREEMENT.—If an individual has filed a statement of disagreement under subsection (b)(3), the entity involved, in any subsequent disclosure of the disputed portion of the information—

(1) shall include a copy of the individual's statement; and

(2) may include a concise statement of the reasons for not making the requested amendment.

(d) RULES GOVERNING AGENTS.—The agent of an entity described in subsection (a) shall not be required to make amendments to protected health information, except where—

(1) the protected health information is retained by the agent; and

(2) the agent has been asked by such entity to fulfill the requirements of this section.

If the agent is required to comply with this section as provided for in paragraph (2), such agent shall be subject to the 45-day deadline described in subsection (a).

(e) REPEATED REQUESTS FOR AMENDMENTS.—If an entity described in subsection (a) receives a request for an amendment of information as provided for in such subsection and a statement of disagreement has been filed pursuant to subsection (c), the entity shall inform the individual of such filing and shall not be required to carry out the procedures required under this section.

(f) RULES OF CONSTRUCTION.—This section shall not be construed to—

(1) require that an entity described in subsection (a) conduct a formal, informal, or other hearing or proceeding concerning a request for an amendment to protected health information;

(2) require a provider to amend an individual's protected health information as to the type, duration, or quality of treatment the individual believes he or she should have been provided; or

(3) permit any deletions or alterations of the original information.

SEC. 213. NOTICE OF CONFIDENTIALITY PRACTICES.

(a) PREPARATION OF WRITTEN NOTICE.—A health care provider, health plan, health oversight agency, public health authority, employer, health or life insurer, health researcher, school or university shall post or provide, in writing and in a clear and conspicuous manner, notice of the entity's confidentiality practices, that shall include—

(1) a description of an individual's rights with respect to protected health information;

(2) the procedures established by the entity for the exercise of the individual's rights; and

(3) the right to obtain a copy of the notice of the confidentiality practices required under this subtitle.

(b) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for public comment, shall develop and disseminate model notices of confidentiality practices. Use of the model notice shall serve as an absolute defense against claims of receiving inappropriate notice.

Subtitle B—Establishment of Safeguards

SEC. 221. ESTABLISHMENT OF SAFEGUARDS.

A health care provider, health plan, health oversight agency, public health authority, employer, health or life insurer, health researcher, law enforcement official, school or university shall establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality, security, accuracy, and integrity of protected health information created, received, obtained, maintained, used, transmitted, or disposed of by such entity.

Subtitle C—Enforcement; Definitions

SEC. 231. CIVIL PENALTY.

(a) VIOLATION.—A health care provider, health researcher, health plan, health oversight agency, public health agency, law enforcement agency, employer, health or life insurer, school, or university, or the agent of any such individual or entity, who the Secretary, in consultation with the Attorney General, determines has substantially and materially failed to comply with this Act shall, for a violation of this title, be subject, in addition to any other penalties that may be prescribed by law, to a civil penalty of not more than $500 for each such violation, but not to exceed $5,000 in the aggregate for multiple violations.

(b) PROCEDURES FOR IMPOSITION OF PENALTIES.—Section 1128A of the Social Security Act, other than subsections (a) and (b) and the second sentence of subsection (f) of that section, shall apply to the imposition of a civil, monetary, or exclusionary penalty under this section in the same manner as such provisions apply with respect to the imposition of a penalty under section 1128A of such Act.

SEC. 232. DEFINITIONS.

In this title:

(1) AGENT.—The term ''agent'' means a person who represents and acts for another under the contract or relation of agency, or whose function is to bring about, modify, affect, accept performance of, or terminate contractual obligations between the principal and a third person, including a contractor.

(2) DISCLOSE.—The term ''disclose'' means to release, transfer, provide access to, or otherwise divulge protected health information to any person other than the individual who is the subject of such information. Such term includes the initial disclosure and any subsequent redisclosures of protected health information.

(3) EMPLOYER.—The term ''employer'' has the meaning given such term under section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(5)), except that such term shall include only employers of 2 or more employees.

(4) HEALTH CARE PROVIDER.—The term ''health care provider'' means a person who, with respect to a specific item of protected health information, receives, creates, uses, maintains, or discloses the information while acting in whole or in part in the capacity of—

(A) a person who is licensed, certified, registered, or otherwise authorized by Federal or State law to provide an item or service that constitutes health care in the ordinary course of business, or practice of a profession;

(B) a Federal, State, or employer-sponsored program that directly provides items or services that constitute health care to beneficiaries; or

(C) an officer, employee, or agent of a person described in subparagraph (A) or (B).

(5) HEALTH OR LIFE INSURER.—The term ''health or life insurer'' means a health insurance issuer as defined in section 2791 of the Public Health Service Act (42 U.S.C. 300gg-91) or a life insurance company as defined in section 816 of the Internal Revenue Code of 1986.

(6) HEALTH PLAN.—The term ''health plan'' means any health insurance plan, including any hospital or medical service plan, dental or other health service plan or health maintenance organization plan, provider sponsored organization, or other program providing or arranging for the provision of health benefits, whether or not funded through the purchase of insurance.

(7) PERSON.—The term ''person'' means a government, governmental subdivision,

agency or authority; corporation; company; association; firm; partnership; society; estate; trust; joint venture; individual; individual representative; tribal government; and any other legal entity.

(8) PROTECTED HEALTH INFORMATION.—The term ''protected health information'' means any information (including demographic information) whether or not recorded in any form or medium—

(A) that relates to the past, present or future—

(i) physical or mental health or condition of an individual (including the condition or other attributes of individual cells or their components);

(ii) provision of health care to an individual; or

(iii) payment for the provision of health care to an individual;

(B) that is created by a health care provider, health plan, health researcher, health oversight agency, public health authority, employer, law enforcement official, health or life insurer, school or university; and

(C) that is not nonidentifiable health information.

(9) SCHOOL OR UNIVERSITY.—The term ''school or university'' means an institution or place for instruction or education, including an elementary school, secondary school, or institution of higher learning, a college, or an assemblage of colleges united under one corporate organization or government.

(10) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(11) WRITING.—The term ''writing'' means writing in either a paper-based or computer-based form, including electronic signatures.

TITLE III—GENETIC INFORMATION AND SERVICES

SEC. 301. SHORT TITLE.

This title may be cited as the ''Genetic Information Nondiscrimination in Health Insurance Act of 1998''.

SEC. 302. AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF GENETIC INFORMATION OR GENETIC SERVICES.—

(1) NO ENROLLMENT RESTRICTION FOR GENETIC SERVICES.—Section 702(a)(1)(F) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182(a)(1)(F)) is amended by inserting before the period the following: ''(including information about a request for or receipt of genetic services)''.

(2) NO DISCRIMINATION IN GROUP PREMIUMS BASED ON PREDICTIVE GENETIC INFORMATION.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) (as amended by section 111) is further amended by adding at the end the following:

''SEC. 714. PROHIBITING PREMIUM DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.

''A group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan, shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning an individual in the group or a family member of the individual (including information about a request for or receipt of genetic services).''.

(3) CONFORMING AMENDMENT.—Section 702(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182(b)) is amended by adding at the end the following:

''(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or receipt of genetic services), see section 714.''.

(b) LIMITATION ON COLLECTION OF PREDICTIVE GENETIC INFORMATION.—Section 702 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182) is amended by adding at the end the following:

''(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

''(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall not request or require predictive genetic information concerning an individual or a family member of the individual (including information about a request for or receipt of genetic services).

''(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan or health insurance issuer that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

''(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan or health insurance issuer shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in sections 213 and 221 of the Patients' Bill of Rights Act, of such individually identifiable information.''.

(c) DEFINITIONS.—Section 733(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191b(d)) is amended by adding at the end the following:

''(5) FAMILY MEMBER.—The term 'family member' means with respect to an individual—

''(A) the spouse of the individual;

''(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

''(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

''(6) GENETIC INFORMATION.—The term 'genetic information' means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member (including information about a request for or receipt of genetic services).

''(7) GENETIC SERVICES.—The term 'genetic services' means health services provided to obtain, assess, or interpret genetic information for diagnostic and therapeutic purposes, and for genetic education and counseling.

''(8) PREDICTIVE GENETIC INFORMATION.—

''(A) IN GENERAL.—The term 'predictive genetic information' means—

''(i) information about an individual's genetic tests which are associated with a statistically significant increased risk of developing a disease or disorder;

''(ii) information about genetic tests of family members of the individual; or

''(iii) information about the occurrence of a disease or disorder in family members that predicts a statistically significant increased risk of a disease or disorder in the individual.

''(B) EXCEPTIONS.—The term 'predictive genetic information' shall not include—

''(i) information about the sex or age of the individual;

''(ii) information derived from routine physical tests, such as the chemical, blood, or urine analyses of the individual, unless such analyses are genetic tests; and

''(iii) information about physical exams of the individual and other information relevant to determining the current health status of the individual so long as such information does not include information described in clauses (i), (ii), or (iii) of subparagraph (A).

''(9) GENETIC TEST.—The term 'genetic test' means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, in order to detect disease-related genotypes, mutations, phenotypes, or karyotypes.''.

(d) EFFECTIVE DATE.—Except as provided in this section, this section and the amendments made by this section shall apply with respect to group health plans for plan years beginning 1 year after the date of the enactment of this Act.

SEC. 303. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.

(a) AMENDMENTS RELATING TO THE GROUP MARKET.—

(1) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF GENETIC INFORMATION IN THE GROUP MARKET.—

(A) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-4 et seq.) is amended by adding at the end the following:

''SEC. 2706. PROHIBITING PREMIUM DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION IN THE GROUP MARKET.

''A group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning an individual in the group or a family member of the individual (including information about a request for or receipt of genetic services).''.

(B) CONFORMING AMENDMENT.—Section 2702(b) of the Public Health Service Act (42 U.S.C. 300gg–1(b)) is amended by adding at the end the following:

''(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or receipt of genetic services), see section 2706.''.

(C) LIMITATION ON COLLECTION AND DISCLOSURE OF PREDICTIVE GENETIC INFORMATION.—Section 2702 of the Public Health Service Act (42 U.S.C. 300gg–1) is amended by adding at the end the following:

''(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

''(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall not request or require predictive genetic information concerning an individual or a family member of the individual (including information about a request for or receipt of genetic services).

''(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan or health insurance issuer that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose,

or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

''(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan or health insurance issuer shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in sections 213 and 221 of the Patients' Bill of Rights Act, of such individually identifiable information.''.

(2) DEFINITIONS.—Section 2791(d) of the Public Health Service Act (42 U.S.C. 300gg–91(d)) is amended by adding at the end the following:

''(15) FAMILY MEMBER.—The term 'family member' means, with respect to an individual—

''(A) the spouse of the individual;

''(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

''(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

''(16) GENETIC INFORMATION.—The term 'genetic information' means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member.

''(17) GENETIC SERVICES.—The term 'genetic services' means health services provided to obtain, assess, or interpret genetic information for diagnostic and therapeutic purposes, and for genetic education and counseling.

''(18) PREDICTIVE GENETIC INFORMATION.—

''(A) IN GENERAL.—The term 'predictive genetic information' means—

''(i) information about an individual's genetic tests which is associated with a statistically significant increased risk of developing a disease or disorder;

''(ii) information about genetic tests of family members of the individual; or

''(iii) information about the occurrence of a disease or disorder in family members that predicts a statistically significant increased risk of a disease or disorder in the individual.

''(B) EXCEPTIONS.—The term 'predictive genetic information' shall not include—

''(i) information about the sex or age of the individual;

''(ii) information derived from routine physical tests, such as the chemical, blood, or urine analyses of the individual, unless such analyses are genetic tests; and

''(iii) information about physical exams of the individual and other information relevant to determining the current health status of the individual so long as such information does not include information described in clauses (i), (ii), or (iii) of subparagraph (A).

''(19) GENETIC TEST.—The term 'genetic test' means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, in order to detect disease-related genotypes, mutations, phenotypes, or karyotypes.''.

(b) AMENDMENT RELATING TO THE INDIVIDUAL MARKET.—The first subpart 3 of part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-11 et seq.) (relating to other requirements) is amended—

(1) by redesignating such subpart as subpart II; and

(2) by adding at the end the following:

''SEC. 2752. PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.

''(a) PROHIBITION ON PREDICTIVE GENETIC INFORMATION AS A CONDITION OF ELIGIBILITY.—A health insurance issuer offering health insurance coverage in the individual market may not use predictive genetic information as a condition of eligibility of an individual to enroll in individual health insurance coverage (including information about a request for or receipt of genetic services).

''(b) PROHIBITION ON PREDICTIVE GENETIC INFORMATION IN SETTING PREMIUM RATES.—A health insurance issuer offering health insurance coverage in the individual market shall not adjust premium rates for individuals on the basis of predictive genetic information concerning such an enrollee or a family member of the enrollee (including information about a request for or receipt of genetic services).

''(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

''(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a health insurance issuer offering health insurance coverage in the individual market shall not request or require predictive genetic information concerning an individual or a family member of the individual (including information about a request for or receipt of genetic services).

''(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a health insurance issuer that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

''(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the health insurance issuer shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in sections 213 and 221 of the Patients' Bill of Rights Act, of such individually identifiable information.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to—

(1) group health plans, and health insurance coverage offered in connection with group health plans, for plan years beginning after 1 year after the date of enactment of this Act; and

(2) health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market after 1 year after the date of enactment of this Act.

SEC. 304. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

(a) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.—

(1) IN GENERAL.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''SEC. 9813. PROHIBITING HEALTH DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.

''A group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan, shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning an individual in the group or a family member of the individual (including information about a request for or receipt of genetic services).''.

(2) CONFORMING AMENDMENT.—Section 9802(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or the receipt of genetic services), see section 9813.''.

(3) AMENDMENT TO TABLE OF SECTIONS.—The table of sections for subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Sec. 9813. Prohibiting premium discrimination against groups on the basis of predictive genetic information.''.

(b) LIMITATION ON COLLECTION OF PREDICTIVE GENETIC INFORMATION.—Section 9802 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

''(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall not request or require predictive genetic information concerning an individual or a family member of the individual (including information about a request for or receipt of genetic services).

''(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan or health insurance issuer that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

''(B) NOTICE OF CONFIDENTIALITY PRACTICES; DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan or health insurance issuer shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in sections 213 and 221 of the Patients' Bill of Rights Act, of such individually identifiable information.''.

(c) DEFINITIONS.—Section 9832(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(6) FAMILY MEMBER.—The term 'family member' means, with respect to an individual—

''(A) the spouse of the individual;

''(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

''(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

''(7) GENETIC INFORMATION.—The term 'genetic information' means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member.

''(8) GENETIC SERVICES.—The term 'genetic services' means health services provided to obtain, assess, or interpret genetic information for diagnostic and therapeutic purposes, and for genetic education and counseling.

''(9) PREDICTIVE GENETIC INFORMATION.—

''(A) IN GENERAL.—The term 'predictive genetic information' means—

''(i) information about an individual's genetic tests which is associated with a statistically significant increased risk of developing a disease or disorder;

''(ii) information about genetic tests of family members of the individual; or

''(iii) information about the occurrence of a disease or disorder in family members that predicts a statistically significant increased risk of a disease or disorder in the individual.

''(B) EXCEPTIONS.—The term 'predictive genetic information' shall not include—

''(i) information about the sex or age of the individual;

''(ii) information derived from routine physical tests, such as the chemical, blood, or urine analyses of the individual, unless such analyses are genetic tests; and

''(iii) information about physical exams of the individual and other information relevant to determining the current health status of the individual so long as such information does not include information described in clauses (i), (ii), or (iii) of subparagraph (A).

''(10) GENETIC TEST.—The term 'genetic test' means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, in order to detect disease-related genotypes, mutations, phenotypes, or karyotypes.''.

(d) EFFECTIVE DATE.—Except as provided in this section, this section and the amendments made by this section shall apply with respect to group health plans for plan years beginning after 1 year after the date of the enactment of this Act.

TITLE IV—HEALTHCARE QUALITY RESEARCH

SEC. 401. SHORT TITLE.

This title may be cited as the ''Healthcare Quality Research Act of 1998''.

SEC. 402. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT.

Title IX of the Public Health Service Act (42 U.S.C. 299 et seq.) is amended to read as follows:

''TITLE IX—AGENCY FOR HEALTHCARE QUALITY RESEARCH

''PART A—ESTABLISHMENT AND GENERAL DUTIES

''SEC. 901. MISSION AND DUTIES.

''(a) IN GENERAL.—There is established within the Public Health Service an agency to be known as the Agency for Healthcare Quality Research. In carrying out this subsection, the Secretary shall redesignate the Agency for Health Care Policy and Research as the Agency for Healthcare Quality Research.

''(b) MISSION.—The purpose of the Agency is to enhance the quality, appropriateness, and effectiveness of healthcare services, and access to such services, through the establishment of a broad base of scientific research and through the promotion of improvements in clinical practice, including the prevention of diseases and other health conditions. The Agency shall promote healthcare quality improvement by—

''(1) conducting and supporting research that develops and presents scientific evidence regarding all aspects of healthcare, including—

''(A) the development and assessment of methods for the purposes of enhancing patient participation in their own care and for facilitating shared patient-physician decision-making;

''(B) the outcomes, effectiveness, and cost-effectiveness of healthcare practices, including preventive measures and primary care;

''(C) existing and innovative technologies;

''(D) the costs and utilization of, and access to healthcare;

''(E) the ways in which healthcare services are organized, delivered, and financed and the interaction and impact of these factors on the quality of patient care;

''(F) methods for measuring quality and strategies for improving quality; and

''(G) ways in which patients, consumers, and practitioners acquire new information about best practices and health benefits, and the determinants of their use of this information;

''(2) synthesizing and disseminating available scientific evidence for use by patients, consumers, practitioners, providers, purchasers, policy makers, and educators; and

''(3) advancing private and public efforts to improve healthcare quality.

''(c) REQUIREMENTS WITH RESPECT TO RURAL AREAS AND PRIORITY POPULATIONS.—In carrying out subsection (b), the Director shall undertake and support research, demonstration projects, and evaluations with respect to—

''(1) the delivery of health services in rural areas (including frontier areas);

''(2) health services for low-income groups, and minority groups;

''(3) the health of children;

''(4) the elderly; and

''(5) people with special healthcare needs, including chronic care and end-of-life healthcare.

''(d) APPOINTMENT OF DIRECTOR.—There shall be at the head of the Agency an official to be known as the Director for Healthcare Quality Research. The Director shall be appointed by the Secretary. The Secretary, acting through the Director, shall carry out the authorities and duties established in this title.

''SEC. 902. GENERAL AUTHORITIES.

''(a) IN GENERAL.—In carrying out section 901(b), the Director shall support demonstration projects, conduct and support research, evaluations, training, research networks, multi-disciplinary centers, technical assistance, and the dissemination of information, on healthcare, and on systems for the delivery of such care, including activities with respect to—

''(1) the quality, effectiveness, efficiency, appropriateness and value of healthcare services;

''(2) quality measurement and improvement;

''(3) the outcomes, cost, cost-effectiveness, and use of healthcare services and access to such services;

''(4) clinical practice, including primary care and practice-oriented research;

''(5) healthcare technologies, facilities, and equipment;

''(6) healthcare costs, productivity, and market forces;

''(7) health promotion and disease prevention, including clinical preventive services;

''(8) health statistics, surveys, database development, and epidemiology; and

''(9) medical liability.

''(b) HEALTH SERVICES TRAINING GRANTS.—The Director may provide training grants in the field of health services research related to activities authorized under subsection (a), to include pre- and post-doctoral fellowships and training programs, young investigator awards, and other programs and activities as appropriate. In carrying out this subsection, the Director shall make use of funds made available under section 478.

''(c) MULTIDISCIPLINARY CENTERS.—The Director may provide financial assistance to assist in meeting the costs of planning and establishing new centers, and operating existing and new centers, for multidisciplinary health services research, demonstration projects, evaluations, training, and policy analysis with respect to the matters referred to in subsection (a).

''(d) RELATION TO CERTAIN AUTHORITIES REGARDING SOCIAL SECURITY.—Activities authorized in this section may include, and shall be appropriately coordinated with experiments, demonstration projects, and other related activities authorized by the Social Security Act and the Social Security Amendments of 1967. Activities under subsection (a)(2) of this section that affect the programs under titles XVIII and XIX of the Social Security Act shall be carried out consistent with section 1142 of such Act.

''(e) DISCLAIMER.—Nothing in this title shall be construed to imply that the Agency's role is to mandate national standards of clinical practice or quality healthcare standards. Recommendations resulting from projects funded and published by the Agency shall include a corresponding disclaimer.

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to imply that quality measurement is a science of uniform national standards. In research and quality improvement activities, the Agency shall consider a wide range of choices, providers, healthcare delivery systems, and individual preferences.

''PART B—HEALTHCARE IMPROVEMENT RESEARCH

''SEC. 911. HEALTHCARE OUTCOME IMPROVEMENT RESEARCH.

''(a) EVIDENCE RATING SYSTEMS.—In collaboration with experts from the public and private sector, the Agency shall identify and disseminate methods or systems used to assess healthcare research results, particularly to rate the strength of the scientific evidence behind healthcare practice and technology recommendations in the research literature. The Agency shall make methods or systems for evidence rating widely available. Agency publications containing healthcare recommendations shall indicate the level of substantiating evidence using such methods or systems.

''(b) HEALTHCARE IMPROVEMENT RESEARCH CENTERS AND PROVIDER-BASED RESEARCH NETWORKS.—

''(1) IN GENERAL.—In order to address the full continuum of care and outcomes research, to link research to practice improvement, and to speed the dissemination of research findings to community practice settings, the Agency shall employ research strategies and mechanisms that will link research directly with clinical practice in geographically diverse locations throughout the United States, including—

''(A) Healthcare Improvement Research Centers that combine demonstrated multidisciplinary expertise in outcomes or quality improvement research with linkages to relevant sites of care;

''(B) Practice-based Research Networks, including plan, facility, or delivery system sites of care (especially primary care), that can evaluate and promote quality improvement; and

''(C) other innovative mechanisms or strategies.

''(2) REQUIREMENTS.—The Director is authorized to establish the requirements for entities applying for grants under this subsection.

''(c) EXPANSION OF THE HEALTH SERVICES RESEARCH WORKFORCE.—

''(1) GRANTS.—The Agency shall, through the awarding of grants, support eligible entities at geographically diverse locations throughout the United States to enable such entities to carry out research training programs that are dedicated to health services research training at the doctoral, post-doctoral, and junior faculty levels.

''(2) REQUIREMENTS.—In developing priorities for the allocation of training funds under this subsection, the Director shall take into consideration shortages in the number of trained researchers addressing the priority populations.

"SEC. 912. PRIVATE-PUBLIC PARTNERSHIPS TO IMPROVE ORGANIZATION AND DELIVERY.

''(a) SUPPORT FOR EFFORTS TO DEVELOP INFORMATION ON QUALITY.—

''(1) SCIENTIFIC AND TECHNICAL SUPPORT.—In its role as the principal agency for healthcare quality research, the Agency shall provide scientific and technical support for private and public efforts to improve healthcare quality, including accrediting organizations.

''(2) ROLE OF THE AGENCY.—With respect to paragraph (1), the role of the Agency shall include—

''(A) the identification and assessment of methods for the evaluation of the health of enrollees in health plans by type of plan, provider, and provider arrangements;

''(B) the ongoing development, testing, and dissemination of quality measures, including measures of health and functional outcomes, that take into account appropriate variations in individual preferences;

''(C) the compilation and dissemination of healthcare quality measures developed in the private and public sector;

''(D) assistance in the development of improved healthcare information systems;

''(E) the development of survey tools for the purpose of measuring participant and beneficiary assessments of their healthcare; and

''(F) the integration of information on quality into purchaser and consumer decision-making processes.

''(b) DEMONSTRATION PROGRAM REGARDING CENTERS FOR EDUCATION AND RESEARCH ON THERAPEUTICS.—

''(1) IN GENERAL.—The Secretary, acting through the Director and in consultation with the Commissioner of Food and Drugs, shall establish a demonstration program for the purpose of making one or more grants for the establishment and operation of one or more centers to carry out the activities specified in paragraph (2).

''(2) REQUIRED ACTIVITIES.—The activities referred to in this paragraph are the following:

''(A) The conduct of state-of-the-art clinical research for the following purposes:

''(i) To increase awareness of—

''(I) new uses of drugs, biological products, and devices;

''(II) ways to improve the effective use of drugs, biological products, and devices; and

''(III) risks of new uses and risks of combinations of drugs and biological products.

''(ii) To provide objective clinical information to the following individuals and entities:

''(I) Healthcare practitioners and other providers of Healthcare goods or services.

''(II) Pharmacy benefit managers and purchasers.

''(III) Health maintenance organizations and other managed healthcare organizations.

''(IV) Healthcare insurers and governmental agencies.

''(V) Patients and consumers.

''(iii) To improve the quality of healthcare while reducing the cost of Healthcare through—

''(I) the appropriate use of drugs, biological products, or devices; and

''(II) the prevention of adverse effects of drugs, biological products, and devices and the consequences of such effects, such as unnecessary hospitalizations.

''(B) The conduct of research on the comparative effectiveness, cost-effectiveness, and safety of drugs, biological products, and devices.

''(C) Such other activities as the Secretary determines to be appropriate, except that a grant may not be expended to assist the Secretary in the review of new drugs.

''(3) APPLICATION FOR GRANT.—A grant under paragraph (1) may be made only if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

''(4) PEER REVIEW.—A grant under paragraph (1) may be made only if the application for the grant has undergone appropriate technical and scientific peer review.

''(c) REDUCING ERRORS IN MEDICINE.—The Director shall conduct and support research and build private-public partnerships to—

''(1) identify the causes of preventable healthcare errors and patient injury in healthcare delivery systems;

''(2) develop, demonstrate, and evaluate strategies for reducing errors and improving patient safety; and

''(3) promote the implementation of effective strategies throughout the healthcare industry.

"SEC. 913. INFORMATION ON QUALITY AND COST OF CARE.

''(a) IN GENERAL.—In carrying out 902(a), the Director shall—

''(1) collect data from a nationally representative sample of the population on the cost and use of healthcare, including the types of healthcare services Americans use, their access to healthcare services, frequency of use, how much is paid for the services used, the source of those payments, the types and costs of private health insurance, access, satisfaction, and quality of care for the general population and also for children, uninsured persons, poor and near-poor individuals, and persons with special healthcare needs, including end-of-life healthcare;

''(2) develop databases and tools that enable States to track the quality, access, and use of healthcare services provided to their residents; and

''(3) enter into agreements with public or private entities to use, link, or acquire databases for research authorized under this title.

''(b) QUALITY AND OUTCOMES INFORMATION.—

''(1) IN GENERAL.—To enhance the understanding of the quality of care, the determinants of health outcomes and functional status, the needs of special populations as well as an understanding of these changes over time, their relationship to healthcare access and use, and to monitor the overall national impact of Federal and State policy changes on healthcare, the Director, beginning in fiscal year 2000, shall ensure that the survey conducted under subsection (a)(1) will—

''(A) provide information on the quality of care and patient outcomes for frequently occurring clinical conditions for a nationally representative sample of the population; and

''(B) provide reliable national estimates for children and persons with special healthcare needs through the use of supplements or periodic expansions of the survey.

''(2) ANNUAL REPORT.—Beginning in fiscal year 2002, the Secretary, acting through the Director, shall submit to Congress an annual report on national trends in the quality of healthcare provided to the American people.

"SEC. 914. INFORMATION SYSTEMS FOR HEALTHCARE IMPROVEMENT.

''In order to foster a range of innovative approaches to the management and communication of health information, the Agency shall support research to evaluate and initiatives to advance—

''(1) the use of information systems for the study of healthcare quality, including the generation of both individual provider and plan-level comparative performance measures;

''(2) training for healthcare practitioners and researchers in the use of information systems;

''(3) the creation of effective linkages between various sources of health information, including the development of information networks;

''(4) the delivery and coordination of evidence-based healthcare services, using real-time decision-support programs;

''(5) the structure, content, definition, and coding of health information data and medical vocabularies and shall consult with other Federal entities;

''(6) the evaluation and use of computer-based health records in outpatient and inpatient settings as a personal health record for individual health assessment and maintenance, and for monitoring public health and outcomes of care within populations; and

''(7) the protection of individually identifiable information in health services research and healthcare quality improvement.

"SEC. 915. RESEARCH SUPPORTING PRIMARY CARE DELIVERY AND ACCESS IN UNDERSERVED AREAS.

''(a) PREVENTIVE SERVICES TASK FORCE.—

''(1) PURPOSE.—The Agency shall provide ongoing administrative, research, and technical support for the operation of the Preventive Services Task Force. The Agency shall coordinate and support the dissemination of the Preventive Services Task Force recommendations.

''(2) OPERATION.—The Preventive Services Task Force shall review the scientific evidence related to the effectiveness, appropriateness, and cost-effectiveness of clinical preventive services for the purpose of developing recommendations, and updating previous recommendations, regarding their usefulness in daily clinical practice. In carrying out its responsibilities under paragraph (1), the Task Force shall not be subject to the provisions of Appendix 2 of title 5, United States Code.

''(b) PRIMARY CARE DELIVERY RESEARCH.—

''(1) IN GENERAL.—There is established within the Agency a Center for Primary Care Delivery Research (referred to in this subsection as the 'Center') that shall serve as the principal source of funding for primary care delivery research in the Department of Health and Human Services. For purposes of this paragraph, primary care delivery research focuses on the first contact when illness or health concerns arise, the diagnosis, treatment or referral to specialty care, preventive care, and the relationship between the clinician and the patient in the context of the family and community.

''(2) RESEARCH.—In carrying out this section, the Center shall conduct and support research on—

''(A) the nature and characteristics of primary care delivery practice;

''(B) producing evidence for the management of commonly occurring clinical problems;

''(C) the management of undifferentiated clinical problems;

''(D) the continuity and coordination of health services; and

''(E) the application and impact of telemedicine and other distance technologies.

''(3) DEMONSTRATION.—The Agency shall support demonstrations into the use of new information tools aimed at improving shared decision-making between patients and their care-givers.

"SEC. 916. CLINICAL PRACTICE AND TECHNOLOGY INNOVATION.

''(a) IN GENERAL.—The Director shall promote innovation in evidence-based clinical practice and healthcare technologies by—

''(1) conducting and supporting research on the development, diffusion, and use of healthcare technology;

''(2) developing, evaluating, and disseminating methodologies for healthcare practice and technology assessment;

''(3) conducting intramural and supporting extramural assessments of existing and new healthcare practices and technologies;

''(4) promoting education, training, and providing technical assistance in the use of healthcare practice and healthcare technology assessment methodologies and results; and

''(5) working with the National Library of Medicine and the public and private sector to develop an electronic clearinghouse of currently available assessments and those in progress.

''(b) SPECIFICATION OF PROCESS.—

''(1) IN GENERAL.—Not later than June 1, 1999, the Director shall develop and publish a description of the methods used by the Agency and its contractors for practice and technology assessment.

''(2) CONSULTATIONS.—In carrying out this subsection, the Director shall cooperate and consult with the Administrator of the Health Care Financing Administration, the Director of the National Institutes of Health, the Commissioner of Food and Drugs, and the heads of any other interested Federal department or agency, professional societies, and other private and public entities.

''(3) METHODOLOGY.—The methods employed in practice and technology assessments under paragraph (1) shall consider—

''(A) safety, efficacy, and effectiveness;

''(B) legal, social, and ethical implications;

''(C) costs, benefits, and cost-effectiveness;

''(D) comparisons to alternative technologies and practices; and

''(E) requirements of Food and Drug Administration approval to avoid duplication.

''(c) SPECIFIC ASSESSMENTS.—

''(1) IN GENERAL.—The Director shall conduct and support specific assessments of healthcare technologies and practices.

''(2) GRANTS AND CONTRACTS.—The Director may make grants to, or enter into cooperative agreements or contracts with, entities described in paragraph (3) for the establishment of collaborative arrangements for the purpose of conducting assessments of experimental, emerging, existing, or potentially outmoded healthcare technologies, and for related activities.

''(3) ELIGIBLE ENTITIES.—An entity described in this paragraph is an entity that is determined to be appropriate by the Director, including academic medical centers, research institutions, professional organizations, third party payers, other governmental agencies, and consortia of appropriate research entities established for the purpose of conducting technology assessments.

''SEC. 917. COORDINATION OF FEDERAL GOVERNMENT QUALITY IMPROVEMENT EFFORTS.

''(a) REQUIREMENT.—

''(1) IN GENERAL.—The Secretary, acting through the Director, shall coordinate all research, evaluations, and demonstrations related to health services research and quality measurement and improvement activities undertaken and supported by the Federal Government.

''(2) SPECIFIC ACTIVITIES.—The Director, in collaboration with the appropriate Federal officials representing all concerned executive agencies and departments, shall develop and manage a process to—

''(A) improve interagency coordination, priority setting, and the use and sharing of research findings and data pertaining to Federal quality improvement programs and health services research;

''(B) strengthen the research information infrastructure, including databases, pertaining to Federal health services research and healthcare quality improvement initiatives;

''(C) set specific goals for participating agencies and departments to further health services research and healthcare quality improvement; and

''(D) strengthen the management of Federal healthcare quality improvement programs.

''(b) STUDY BY THE INSTITUTE OF MEDICINE.—

''(1) IN GENERAL.—To provide the Department of Health and Human Services with independent, expert advice in redesigning its quality oversight functions, and pertinent research programs, the Secretary shall enter into a contract with the Institute of Medicine—

''(A) to describe and evaluate current quality improvement research and monitoring processes through—

''(i) an overview of pertinent health services research activities and quality improvement efforts with particular attention paid to those performed by the peer review organizations;

''(ii) an analysis of the various partnership activities that the Department of Health and Human Services has pursued with private sector accreditation and other quality measurement organizations;

''(iii) the exploration of programmatic areas where partnership activities could be pursued to improve quality oversight of the medicare and medicaid programs under titles XVIII and XIX of the Social Security Act; and

''(iv) an identification of opportunities for enhancing health system efficiency through simplification and reduction in redundancy of public and private sector quality improvement efforts; and

''(B) to identify options and make recommendations to improve the efficiency and effectiveness of such quality improvement programs and to optimize public/private sector accreditation bodies through—

''(i) the improved coordination of activities across the medicare and medicaid programs under titles XVIII and XIX of the Social Security Act and various health services research programs;

''(ii) greater consistency and standardization of oversight activities across traditional fee-for-service and managed care components of these programs;

''(iii) the strengthening of patient choice and participation by incorporating state-of-the-art quality monitoring tools and making information on quality available; and

''(iv) the enhancement of the most effective programs, consolidation as appropriate, and elimination of duplicative activities within various federal agencies.

''(2) REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary shall enter into a contract with the Institute of Medicine for the preparation—

''(i) not later than 12 months after the date of enactment of this title, of a report providing an overview of the quality improvement programs of the Department of Health and Human Services for the medicare, medicaid, and CHIP programs under titles XVIII, XIX, and XXI of the Social Security Act; and

''(ii) not later than 24 months after the date of enactment of this title, of a final report containing recommendations for a comprehensive system and public-private partnerships for healthcare quality improvement.

''(B) REPORTS.—The Secretary shall submit the reports described in subparagraph (A) to the Committee on Finance and the Committee on Labor and Human Resources of the Senate and the Committee on Ways and Means and the Committee on Commerce of the House of Representatives.

''PART C—FOUNDATION FOR HEALTHCARE QUALITY RESEARCH

''SEC. 921. FOUNDATION FOR HEALTHCARE QUALITY RESEARCH.

''(a) IN GENERAL.—The Secretary shall, acting through the Director of the Agency for Healthcare Quality Research, establish a nonprofit corporation to be known as the Foundation for Healthcare Research (hereafter in this section referred to as the 'Foundation'). The Foundation shall not be an agency or instrumentality of the United States Government.

''(b) PURPOSE OF FOUNDATION.—The purpose of the Foundation shall be to—

''(1) support the Agency for Healthcare Quality Research in its mission;

''(2) foster public-private partnerships to support the programs and activities of the Agency;

''(3) advance collaboration with healthcare researchers from universities, industry, and nonprofit organizations; and

''(4) develop linkages with users of healthcare and quality research, including patients, consumers, practitioners and other healthcare providers, health plans and insurers, large private or public sector purchasers of healthcare, healthcare policy makers, and healthcare educators.

''(c) CERTAIN ACTIVITIES OF FOUNDATION.—In carrying out subsection (b), the Foundation may solicit and accept gifts, grants, and other donations, establish accounts, and invest and expend funds in support of a broad range of research, training, dissemination, and other activities with respect to the purpose described in such subsection. In addition, the Foundation is authorized to support the following:

''(1) A program to provide and administer endowed positions that are associated with the research program of the Agency for Healthcare Quality Research. Such endowments may be expended for the compensation of individuals holding the positions, for staff, equipment, quarters, travel, and other expenditures that are appropriate in supporting the endowed positions.

''(2) A program to provide and administer fellowships and grants to research personnel in order to work and study in association with the Agency for Healthcare Quality Research. Such fellowships and grants may include stipends, travel, health insurance benefits, and other appropriate expenses. The recipients of fellowships shall be selected by the donors and the Foundation upon the recommendation of the Agency for Healthcare Quality Research, and shall be subject to the agreement of the Director of the Agency for Healthcare Quality Research and the Executive Director of the Foundation.

''(d) GENERAL STRUCTURE OF FOUNDATION; NONPROFIT STATUS.—

''(1) BOARD OF DIRECTORS.—The Foundation shall have a Board of Directors (in this section referred to as the Board), which shall be established and conducted in accordance with subsection (e). The Board shall establish the general policies of the Foundation for carrying out subsection (b), including the establishment of the bylaws of the Foundation.

''(2) EXECUTIVE DIRECTOR.—The Foundation shall have an executive director (in this section referred to as the 'Director'), who shall be appointed by the Board, who shall serve at the pleasure of the Board, and for whom the Board shall establish the rate of compensation. Subject to compliance with the policies and bylaws established by the Board pursuant to paragraph (1), the Director shall be responsible for the daily operations of the Foundation in carrying out subsection (b).

''(3) NONPROFIT STATUS.—In carrying out subsection (b), the Board shall establish such

policies and bylaws under paragraph (1), and the Director shall carry out such activities under paragraph (2), as may be necessary to ensure that the Foundation maintains status as an organization that—

''(A) is described in subsection (c)(3) of section 501 of the Internal Revenue Code of 1986; and

''(B) is, under subsection (a) of such section, exempt from taxation.

''(e) BOARD OF DIRECTORS.—

''(1) CERTAIN BYLAWS.—

''(A) IN GENERAL.—The Board shall ensure that bylaws established under subsection (a)(1) include bylaws for the following:

''(i) Policies for the selection of the officers, employees, agents, and contractors of the Foundation.

''(ii) Policies, including ethical standards, for the acceptance and disposition of donations to the Foundation and for the disposition of the assets of the Foundation.

''(iii) Policies for the conduct of the general operations of the Foundation.

''(iv) Policies for writing, editing, printing, and publishing of books and other materials, and the acquisition of patents and licenses for devices and procedures developed by the Foundation.

''(B) REQUIREMENTS.—The Board shall ensure that the bylaws established under subsection (d)(1) (and activities carried out under such bylaws) do not—

''(i) reflect unfavorably upon the ability of the Foundation, or the Agency for Healthcare Quality Research, to carry out its responsibilities or official duties in a fair and objective manner; or

''(ii) compromise, or appear to compromise, the integrity of any governmental program or any officer or employee involved in such program.

''(2) COMPOSITION.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Board shall be composed of 7 individuals, appointed in accordance with paragraph (4), who collectively possess education or experience appropriate for representing the constituencies described in subsection (b). Each such individual shall be a voting member of the Board.

''(B) ADDITIONAL MEMBERS.—The Board may, through amendments to the bylaws of the Foundation, provide that the number of members of the Board shall be a greater number than the number specified in subparagraph (A).

''(3) CHAIR.—The Board shall, from among the members of the Board, designate an individual to serve as the chair of the Board (in this subsection referred to as the 'Chair').

''(4) APPOINTMENTS, VACANCIES, AND TERMS.—The following shall apply to the Board:

''(A) Any vacancy in the membership of the Board shall be filled by appointment by the Board, after consideration of suggestions made by the Chair and the Director regarding the appointments. Any such vacancy shall be filled not later than the expiration of the 180-day period beginning on the date on which the vacancy occurs.

''(B) The term of office of each member of the Board appointed under subparagraph (A) shall be 5 years. A member of the Board may continue to serve after the expiration of the term of the member until the expiration of the 180-day period beginning on the date on which the term of the member expires.

''(C) A vacancy in the membership of the Board shall not affect the power of the Board to carry out the duties of the Board. If a member of the Board does not serve the full term applicable under subparagraph (B), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

''(5) COMPENSATION.—Members of the Board may not receive compensation for service on the Board. The members may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Board.

''(f) CERTAIN RESPONSIBILITIES OF EXECUTIVE DIRECTOR.—In carrying out subsection (d)(2), the Director shall carry out the following functions:

''(1) Hire, promote, compensate, and discharge officers and employees of the Foundation, and define the duties of the officers and employees.

''(2) Accept and administer donations to the Foundation, and administer the assets of the Foundation.

''(3) Establish a process for the selection of candidates for holding endowed positions under subsection (c).

''(4) Enter into such financial agreements as are appropriate in carrying out the activities of the Foundation.

''(5) Take such action as may be necessary to acquire patents and licenses for devices and procedures developed by the Foundation and the employees of the Foundation.

''(6) Adopt, alter, and use a corporate seal, which shall be judicially noticed.

''(7) Commence and respond to judicial proceedings in the name of the Foundation.

''(8) Other functions that are appropriate in the determination of the Director.

''(g) GENERAL PROVISIONS.—

''(1) AUTHORITY FOR ACCEPTING FUNDS.—The Director of the Agency for Healthcare Quality Research may accept and utilize, on behalf of the Federal Government, any gift, donation, bequest, or devise of real or personal property from the Foundation for the purpose of aiding or facilitating the work of such Agency. Funds may be accepted and utilized by such Director under the preceding sentence without regard to whether the funds are designated as general-purpose funds or special-purpose funds. Any funds transferred under this paragraph shall be subject to all Federal limitations relating to federally funded research.

''(2) AUTHORITY FOR ACCEPTANCE OF VOLUNTARY SERVICES.—

''(A) IN GENERAL.—The Director of the Agency for Healthcare Quality Research may accept, on behalf of the Federal Government, any voluntary services provided to such Agency by the Foundation for the purpose of aiding or facilitating the work of such Agency. In the case of an individual, such Director may accept the services provided under the preceding sentence by the individual for not more than 2 years.

''(B) LIMITATION.—The limitation established in subparagraph (A) regarding the period of time in which services may be accepted applies to each individual who is not an employee of the Federal Government and who serves in association with the Agency for Healthcare Quality Research pursuant to financial support from the Foundation.

''(3) ADMINISTRATIVE CONTROL.—No officer, employee, or member of the Board of the Foundation may exercise any administrative or managerial control over any Federal employee.

''(4) APPLICABILITY OF CERTAIN STANDARDS TO NON-FEDERAL EMPLOYEES.—In the case of any individual who is not an employee of the Federal Government and who serves in association with the Agency for Healthcare Quality Research pursuant to financial support from the Foundation, the Foundation shall negotiate a memorandum of understanding with the individual and the Director of the Agency for Healthcare Quality Research specifying that the individual—

''(A) shall be subject to the ethical and procedural standards regulating Federal employment, scientific investigation, and research findings (including publications and patents) that are required of individuals employed by the Agency for Healthcare Quality Research, including standards under this Act, the Ethics in Government Act, and the Technology Transfer Act; and

''(B) shall be subject to such ethical and procedural standards under chapter 11 of title 18, United States Code (relating to conflicts of interest), as the Director of such Agency determines is appropriate, except such memorandum may not provide that the individual shall be subject to the standards of section 209 of such chapter.

''(5) FINANCIAL CONFLICTS OF INTEREST.—Any individual who is an officer, employee, or member of the Board of the Foundation may not directly or indirectly participate in the consideration or determination by the Foundation of any question affecting—

''(A) any direct or indirect financial interest of the individual; or

''(B) any direct or indirect financial interest of any business organization or other entity of which the individual is an officer or employee or in which the individual has a direct or indirect financial interest.

''(6) AUDITS; AVAILABILITY OF RECORDS.—The Foundation shall—

''(A) provide for biennial audits of the financial condition of the Foundation; and

''(B) make such audits, and all other records, documents, and other papers of the Foundation, available to the Secretary and the Comptroller General of the United States for examination or audit.

''(7) REPORTS.—

''(A) IN GENERAL.—Not later than February 1 of each fiscal year, the Foundation shall publish a report describing the activities of the Foundation during the preceding fiscal year. Each such report shall include for the fiscal year involved a comprehensive statement of the operations, activities, financial condition, and accomplishments of the Foundation.

''(B) FINANCIAL REQUIREMENT.—With respect to the financial condition of the Foundation, each report under subparagraph (A) shall include the source, and a description of, all gifts to the Foundation each report under subparagraph (A) shall include the source, and a description of, all gifts to the Foundation of real or personal property, and the source and amount of all gifts to the Foundation of money. Each such report shall include a specification of any restrictions on the purposes for which gifts to the Foundation may be used.

''(C) PUBLIC INSPECTION.—The Foundation shall make copies of each report submitted under subparagraph (A) available for public inspection, and shall upon request provide a copy of the report to any individual for a charge not exceeding the cost of providing the copy.

''(8) LIAISON FROM THE AGENCY FOR HEALTHCARE QUALITY RESEARCH.—The Director of the Agency for Healthcare Quality Research shall serve as the liaison representative of such Agency and the Foundation.

''(h) FEDERAL FUNDING.—

''(1) AUTHORITY FOR FINANCIAL SUPPORT.—

''(A) IN GENERAL.—The Secretary, acting through the Director of the Agency for Healthcare Quality Research, shall—

''(i) for fiscal year 1999, support the work of the Committee, established pursuant to subsection (i); and

''(ii) for fiscal year 2000 and each subsequent fiscal year, make a grant to the Foundation.

''(B) LIMITATIONS.—Financial support under subparagraph (A) may be expended—

''(i) in the case of the Committee, only for the purpose of carrying out the duties established in subsection (i); and

''(ii) in the case of the Foundation, only for the purpose of the administrative expenses of the Foundation.

''(C) REMAINING FUNDS.—For the purposes described in subparagraph (B), any portion of the financial support provided to the Committee under subparagraph (A)(i) for fiscal year 1999 that remains unobligated after the Committee completes the duties established in subsection (i) shall be available to the Foundation.

''(2) FUNDS.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of providing financial support under paragraph (1), there is authorized to be appropriated for the Foundation $500,000 for each fiscal year.

''(B) GRANTS.—For the purpose of grants under paragraph (1), the Secretary may for each fiscal year make available not more than $500,000 from the amounts appropriated for the fiscal year for the programs of the Department of Health and Human Services. Such amounts may be made available without regard to whether amounts have been appropriated under subparagraph (A).

''(3) CERTAIN RESTRICTION.—If the Foundation receives Federal funds for the purpose of serving as a fiscal intermediary between Federal agencies, the Foundation may not receive such funds for the indirect costs of carrying out such purpose in an amount exceeding 10 percent of the direct costs of carrying out such purpose. The preceding sentence may not be construed as authorizing the expenditure of any grant under paragraph (1) for such purpose.

''(i) ESTABLISHMENT OF COMMITTEE.—

''(1) IN GENERAL.—The Secretary shall establish in accordance with this subsection a committee (referred to in this subsection as the 'Committee') to carry out the functions described in paragraph (2).

''(2) FUNCTIONS.—The functions referred to in paragraph (1) for the Committee are as follows:

''(A) To carry out such activities as may be necessary to incorporate the Foundation under the laws of the State involved, including serving as incorporators for the Foundation. Such activities shall include ensuring that the articles of incorporation for the Foundation require that the Foundation be established and operated in accordance with the applicable provisions of this part (or any successor to this part), including such provisions as may be in effect pursuant to amendments enacted after the date of the enactment of the Healthcare Quality Research Act of 1998.

''(B) To ensure that the Foundation qualifies for and maintains the status described in subsection (d)(3) (regarding taxation).

''(C) To establish the general policies and initial bylaws of the Foundation, which bylaws shall include the bylaws described in subsections (d)(3) and (e)(1).

''(D) To provide for the initial operation of the Foundation, including providing for quarters, equipment, and staff.

''(E) To appoint the initial members of the Board in accordance with the requirements established in subsection (e)(2)(A) for the composition of the Board and establish their respective terms, and other such qualifications as the Committee may determine to be appropriate.

''(3) COMPLETION OF FUNCTIONS OF COMMITTEE; INITIAL MEETING OF BOARD.—

''(A) IN GENERAL.—The Committee shall complete the functions required in paragraph (1) not later than 1 year following the appointment of the last member of the Committee. The Committee shall terminate upon the expiration of the 30-day period beginning on the date on which the Secretary determines that the functions have been completed.

''(B) INITIAL MEETING.—The initial meeting of the Board shall be held not later than 90 days after the Committee has completed its functions.

''(4) COMPOSITION.—The Committee shall be composed of 7 members, each of whom shall be a voting member. Of the members of the Committee—

''(A) not fewer than 2 members shall have broad, general experience in healthcare; and

''(B) not fewer than 2 members shall have broad, general experience in the creation of a nonprofit private organization, one of whom shall have expertise in the legal structuring of nonprofit organizations (without regard to whether the individuals have experience in healthcare).

''(5) CHAIR.—The Committee shall, from among the members of the Committee, designate an individual to serve as the chair of the Committee.

''(6) TERMS; VACANCIES.—The term of members of the Committee shall be for the duration of the Committee. A vacancy in the membership of the Committee shall not affect the power of the Committee to carry out the duties of the Committee. If a member of the Committee does not serve the full term, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

''(7) COMPENSATION.—Members of the Committee may not receive compensation for service on the Committee. Members of the Committee may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Committee.

''(8) COMMITTEE SUPPORT.—The Director of the Agency for Healthcare Quality Research may, from amounts available to the Director for the general administration of such Agency, provide staff and financial support to assist the Committee with carrying out the functions described in paragraph (2). In providing such staff and support, the Director may both detail employees and contract for assistance.

''PART D—GENERAL PROVISIONS

''SEC. 931. ADVISORY COUNCIL FOR HEALTHCARE QUALITY RESEARCH.

''(a) ESTABLISHMENT.—There is established an advisory council to be known as the Advisory Council for Healthcare Quality Research.

''(b) DUTIES.—

''(1) IN GENERAL.—The Advisory Council shall advise the Secretary and the Director with respect to activities to carry out the purpose of the Agency under section 901(b).

''(2) CERTAIN RECOMMENDATIONS.—Activities of the Advisory Council under paragraph (1) shall include making recommendations to the Director regarding—

''(A) priorities regarding healthcare research, especially studies related to quality, outcomes, cost and the utilization of, and access to, healthcare services;

''(B) the field of healthcare research and related disciplines, especially issues related to training needs, and dissemination of information on quality; and

''(C) the appropriate role of the Agency in each of these areas in light of private sector activity and identification of opportunities for public-private sector partnerships.

''(c) MEMBERSHIP.—

''(1) IN GENERAL.—The Advisory Council shall, in accordance with this subsection, be composed of appointed members and ex officio members. All members of the Advisory Council shall be voting members other than the individuals designated under paragraph (3)(B) who shall be ex officio members of the Advisory Council.

''(2) APPOINTED MEMBERS.—The Secretary shall appoint to the Advisory Council 21 appropriately qualified individuals. At least 17 members of the Advisory Council shall be representatives of the public who are not officers or employees of the United States. The Secretary shall ensure that the appointed members of the Council, as a group, are representative of professions and entities concerned with, or affected by, activities under this title and under section 1142 of the Social Security Act. Of such members—

''(A) 4 shall be individuals distinguished in the conduct of research, demonstration projects, and evaluations with respect to healthcare;

''(B) 4 shall be individuals distinguished in the practice of medicine of which at least 1 shall be a primary care practitioner;

''(C) 3 shall be individuals distinguished in the health professions;

''(D) 4 shall be individuals either representing the private healthcare sector, including health plans, providers, and purchasers or individuals distinguished as administrators of healthcare delivery systems;

''(E) 4 shall be individuals distinguished in the fields of healthcare quality improvement, economics, information systems, law, ethics, business, or public policy; and

''(F) 2 shall be individuals representing the interests of patients and consumers of healthcare.

''(3) EX OFFICIO MEMBERS.—The Secretary shall designate as ex officio members of the Advisory Council—

''(A) the Director of the National Institutes of Health, the Director of the Centers for Disease Control and Prevention, the Administrator of the Health Care Financing Administration, the Assistant Secretary of Defense (Health Affairs), and the Chief Medical Officer of the Department of Veterans Affairs; and

''(B) such other Federal officials as the Secretary may consider appropriate.

''(d) TERMS.—Members of the Advisory Council appointed under subsection (c)(2) shall serve for a term of 3 years. A member of the Council appointed under such subsection may continue to serve after the expiration of the term of the members until a successor is appointed.

''(e) VACANCIES.—If a member of the Advisory Council appointed under subsection (c)(2) does not serve the full term applicable under subsection (d), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

''(f) CHAIR.—The Director shall, from among the members of the Advisory Council appointed under subsection (c)(2), designate an individual to serve as the chair of the Advisory Council.

''(g) MEETINGS.—The Advisory Council shall meet not less than once during each discrete 4-month period and shall otherwise meet at the call of the Director or the chair.

''(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—

''(1) APPOINTED MEMBERS.—Members of the Advisory Council appointed under subsection (c)(2) shall receive compensation for each day (including travel time) engaged in carrying out the duties of the Advisory Council unless declined by the member. Such compensation may not be in an amount in excess of the maximum rate of basic pay payable for GS–18 of the General Schedule.

''(2) EX OFFICIO MEMBERS.—Officials designated under subsection (c)(3) as ex officio members of the Advisory Council may not receive compensation for service on the Advisory Council in addition to the compensation otherwise received for duties carried out as officers of the United States.

''(i) STAFF.—The Director shall provide to the Advisory Council such staff, information, and other assistance as may be necessary to carry out the duties of the Council.

"SEC. 932. PEER REVIEW WITH RESPECT TO GRANTS AND CONTRACTS.

"(a) REQUIREMENT OF REVIEW.—

"(1) IN GENERAL.—Appropriate technical and scientific peer review shall be conducted with respect to each application for a grant, cooperative agreement, or contract under this title.

"(2) REPORTS TO DIRECTOR.—Each peer review group to which an application is submitted pursuant to paragraph (1) shall report its finding and recommendations respecting the application to the Director in such form and in such manner as the Director shall require.

"(b) APPROVAL AS PRECONDITION OF AWARDS.—The Director may not approve an application described in subsection (a)(1) unless the application is recommended for approval by a peer review group established under subsection (c).

"(c) ESTABLISHMENT OF PEER REVIEW GROUPS.—

"(1) IN GENERAL.—The Director shall establish such technical and scientific peer review groups as may be necessary to carry out this section. Such groups shall be established without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and without regard to the provisions of chapter 51, and subchapter III of chapter 53, of such title that relate to classification and pay rates under the General Schedule.

"(2) MEMBERSHIP.—The members of any peer review group established under this section shall be appointed from among individuals who by virtue of their training or experience are eminently qualified to carry out the duties of such peer review group. Officers and employees of the United States may not constitute more than 25 percent of the membership of any such group. Such officers and employees may not receive compensation for service on such groups in addition to the compensation otherwise received for duties carried out as such officers and employees.

"(3) DURATION.—Notwithstanding section 14(a) of the Federal Advisory Committee Act, peer review groups established under this section shall continue in existence until otherwise provided by law.

"(4) QUALIFICATIONS.—Members of any peer-review group shall, at a minimum, meet the following requirements:

"(A) Such members shall agree in writing to treat information received, records, reports, and recommendations as confidential information.

"(B) Such members shall agree in writing to recuse themselves from participation in the peer-review of specific applications which present a potential personal conflict of interest or appearance of such conflict, including employment in the applicant organization, stock ownership, or any financial or other arrangement that might introduce bias in the process of peer-review.

"(d) AUTHORITY FOR PROCEDURAL ADJUSTMENTS IN CERTAIN CASES.—In the case of applications described in subsection (a)(1) for financial assistance whose direct costs will not exceed $100,000, the Director may make appropriate adjustments in the procedures otherwise established by the Director for the conduct of peer review under this section. Such adjustments may be made for the purpose of encouraging the entry of individuals into the field of research, for the purpose of encouraging clinical practice-oriented research, and for such other purposes as the Director may determine to be appropriate.

"(e) REGULATIONS.—The Secretary shall issue regulations for the conduct of peer review under this section.

"SEC. 933. CERTAIN PROVISIONS WITH RESPECT TO DEVELOPMENT, COLLECTION, AND DISSEMINATION OF DATA.

"(a) STANDARDS WITH RESPECT TO UTILITY OF DATA.—

"(1) IN GENERAL.—With respect to data developed or collected by any entity for the purpose described in section 901(b), the Director shall, in order to assure that utility, accuracy, and sufficiency of such data for all interested entities, establish recommendations for methods of developing and collecting such data. Such recommendations shall include recommendations for the development and collection of data on the outcomes of healthcare services and procedures. Such recommendations shall recognize the differences between types of healthcare plans, delivery systems, healthcare providers, and provider arrangements.

"(2) RELATIONSHIP WITH MEDICARE PROGRAM.—In any case where recommendations under paragraph (1) may affect the administration of the program under title XVIII of the Social Security Act, they shall be in the form of recommendations to the Secretary for such program.

"(b) STATISTICS.—The Director shall—

"(1) take such action as may be necessary to assure that statistics developed under this title are of high quality, timely, and comprehensive, as well as specific, standardized, and adequately analyzed and indexed; and

"(2) publish, make available, and disseminate such statistics on as wide a basis as is practicable.

"(c) AUTHORITY REGARDING CERTAIN REQUESTS.—Upon request of a public or private entity, the Director may undertake research or analyses otherwise authorized by this title pursuant to arrangements under which such entity will pay the cost of the services provided. Amounts received by the Director under such arrangements shall be available to the Director for obligation until expended.

"SEC. 934. DISSEMINATION OF INFORMATION.

"(a) IN GENERAL.—The Administrator shall—

"(1) without regard to section 501 of title 44, United States Code, promptly publish, make available, and otherwise disseminate, in a form understandable and on as broad a basis as practicable so as to maximize its use, the results of research, demonstration projects, and evaluations conducted or supported under this title;

"(2) promptly make available to the public data developed in such research, demonstration projects, and evaluations;

"(3) building upon, but without duplicating, information services provided by the National Library of Medicine and considering applicable interagency agreements, provide indexing, abstracting, translating, publishing, and other services leading to a more effective and timely dissemination of information on research, demonstration projects, and evaluations with respect to healthcare to public and private entities and individuals engaged in the improvement of healthcare delivery and the general public, and undertake programs to develop new or improved methods for making such information available; and

"(4) as appropriate, provide technical assistance to State and local government and health agencies and conduct liaison activities to such agencies to foster dissemination.

"(b) PROHIBITION AGAINST RESTRICTIONS.—Except as provided in subsection (c), the Director may not restrict the publication or dissemination of data from, or the results of, projects conducted or supported under this title.

"(c) LIMITATION ON USE OF CERTAIN INFORMATION.—No information, if an establishment or person supplying the information or described in it is identifiable, obtained in the course of activities undertaken or supported under this title may be used for any purpose other than the purpose for which it was supplied unless such establishment or person has consented (as determined under regulations of the Director) to its use for such other purpose. Such information may not be published or released in other form if the person who supplied the information or who is described in it is identifiable unless such person has consented (as determined regulations of the Director) to its publication or release in other form.

"(d) PENALTY.—Any person who violates subsection (c) shall be subject to a civil monetary penalty of not more than $10,000 for each such violation involved. Such penalty shall be imposed and collected in the same manner as civil money penalties under subsection (a) of section 1128A of the Social Security Act are imposed and collected under that section.

"SEC. 935. ADDITIONAL PROVISIONS WITH RESPECT TO GRANTS AND CONTRACTS.

"(a) PRIORITIES.—In establishing priorities to carry out this title, subject to the availability of funds, the Director shall consider—

"(1) the needs and priorities of healthcare programs that are operated by or supported, in whole or in part, by Federal agencies;

"(2) the healthcare needs of low-income groups, minority groups, children, the elderly, and persons with special healthcare needs and issues related to the delivery of healthcare services in rural areas (including frontier areas).

"(b) FINANCIAL CONFLICTS OF INTEREST.—With respect to projects for which awards of grants, cooperative agreements, or contracts are authorized to be made under this title, the Director shall by regulation define—

"(1) the specific circumstances that constitute financial interests in such projects that will, or may be reasonably expected to, create a bias in favor of obtaining results in the projects that are consistent with such interests; and

"(2) the actions that will be taken by the Director in response to any such interests identified by the Director.

"(c) REQUIREMENT OF APPLICATION.—The Director may not, with respect to any program under this title authorizing the provision of grants, cooperative agreements, or contracts, provide any such financial assistance unless an application for the assistance is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out the program in involved.

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

"(1) IN GENERAL.—Upon the request of an entity receiving a grant, cooperative agreement, or contract under this title, the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purpose of aiding the entity in carrying out the project involved and, for such purpose, may detail to the entity any officer or employee of the Department of Health and Human Services.

"(2) CORRESPONDING REDUCTION IN FUNDS.—With respect to a request described in paragraph (1), the Secretary shall reduce the amount of the financial assistance involved by an amount equal to the costs of detailing personnel and the fair market value of any supplies, equipment, or services provided by the Director. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

"(e) APPLICABILITY OF CERTAIN PROVISIONS WITH RESPECT TO CONTRACTS.—Contracts may be entered into under this part without

regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"SEC. 936. CERTAIN ADMINISTRATIVE AUTHORITIES.

''(a) DEPUTY DIRECTOR AND OTHER OFFICERS AND EMPLOYEES.—

''(1) DEPUTY DIRECTOR.—The Director may appoint a deputy director for the Agency.

''(2) OTHER OFFICERS AND EMPLOYEES.—The Director may appoint and fix the compensation of such officers and employees as may be necessary to carry out this title. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

''(b) FACILITIES.—The Secretary, in carrying out this title—

''(1) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Director of General Services, buildings or portions of buildings in the District of Columbia or communities located adjacent to the District of Columbia for use for a period not to exceed 10 years; and

''(2) may acquire, construct, improve, repair, operate, and maintain laboratory, research, and other necessary facilities and equipment, and such other real or personal property (including patents) as the Secretary deems necessary.

''(c) PROVISION OF FINANCIAL ASSISTANCE.—The Director, in carrying out this title, may make grants to public and nonprofit entities and individuals, and may enter into cooperative agreements or contracts with public and private entities and individuals.

''(d) UTILIZATION OF CERTAIN PERSONNEL AND RESOURCES.—

''(1) DEPARTMENT OF HEALTH AND HUMAN SERVICES.—The Director, in carrying out this title, may utilize personnel and equipment, facilities, and other physical resources of the Department of Health and Human Services, permit appropriate (as determined by the Secretary) entities and individuals to utilize the physical resources of such Department, and provide technical assistance and advice.

''(2) OTHER AGENCIES.—The Director, in carrying out this title, may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, or of any foreign government, with or without reimbursement of such agencies.

''(e) CONSULTANTS.—The Secretary, in carrying out this title, may secure, from time to time and for such periods as the Director deems advisable but in accordance with section 3109 of title 5, United States Code, the assistance and advice of consultants from the United States or abroad.

''(f) EXPERTS.—

''(1) IN GENERAL.—The Secretary may, in carrying out this title, obtain the services of not more than 50 experts or consultants who have appropriate scientific or professional qualifications. Such experts or consultants shall be obtained in accordance with section 3109 of title 5, United States Code, except that the limitation in such section on the duration of service shall not apply.

''(2) TRAVEL EXPENSES.—

''(A) IN GENERAL.—Experts and consultants whose services are obtained under paragraph (1) shall be paid or reimbursed for their expenses associated with traveling to and from their assignment location in accordance with sections 5724, 5724a(a), 5724a(c), and 5726(C) of title 5, United States Code.

''(B) LIMITATION.—Expenses specified in subparagraph (A) may not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (1) unless and until the expert agrees in writing to complete the entire period of assignment, or 1 year, whichever is shorter, unless separated or reassigned for reasons that are beyond the control of the expert or consultant and that are acceptable to the Secretary. If the expert or consultant violates the agreement, the money spent by the United States for the expenses specified in subparagraph (A) is recoverable from the expert or consultant as a debt of the United States. The Secretary may waive in whole or in part a right of recovery under this subparagraph.

''(g) VOLUNTARY AND UNCOMPENSATED SERVICES.—The Director, in carrying out this title, may accept voluntary and uncompensated services.

"SEC. 937. FUNDING.

''(a) INTENT.—To ensure that the United States's investment in biomedical research is rapidly translated into improvements in the quality of patient care, there must be a corresponding investment in research on the most effective clinical and organizational strategies for use of these findings in daily practice. The authorization levels in subsections (b) and (c) provide for a proportionate increase in healthcare research as the United State's investment in biomedical research increases.

''(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated $180,000,000 for fiscal year 1999, and such sums as may be necessary for each of the fiscal years 2000 through 2003.

''(c) EVALUATIONS.—In addition to amounts available pursuant to subsection (b) for carrying out this title, there shall be made available for such purpose, from the amounts made available pursuant to section 241 (relating to evaluations), an amount equal to 40 percent of the maximum amount authorized in such section 241 to be made available for a fiscal year.

''(d) CENTERS FOR EDUCATION AND RESEARCH ON THERAPEUTICS.—For the purpose of carrying out the demonstration program regarding centers for education and research on therapeutics under section 912(b), there are authorized to be appropriated $2,000,000 for fiscal year 1998, and $3,000,000 for fiscal year 1999, and such sums as may be necessary for each of the fiscal years 2000 through 2003.

"SEC. 938. DEFINITIONS.

''In this title:

''(1) ADVISORY COUNCIL.—The term 'Advisory Council' means the Advisory Council on Healthcare Quality Research established under section 931.

''(2) AGENCY.—The term 'Agency' means the Agency for Healthcare Quality.

''(3) DIRECTOR.—The term 'Director' means the Director for the Agency for Healthcare Quality Research.''.

SEC. 403. REFERENCES.

Effective upon the date of enactment of this Act, any reference in law to the ''Agency for Health Care Policy and Research'' shall be deemed to be a reference to the ''Agency for Healthcare Quality Research''.

SEC. 404. STUDY.

(a) STUDY.—Not later than 30 days after the date of enactment of any Act providing for a qualifying health care benefit (as defined in subsection (b), the Secretary of Health and Human Services, in consultation with the Agency for Healthcare Quality Research, the National Institutes of Health, and the Institute of Medicine, shall conduct a study concerning such benefit that scientifically evaluates—

(1) the safety and efficacy of the benefit, particularly the effect of the benefit on outcomes of care;

(2) the cost, benefits and value of such benefit;

(3) the benefit in comparison to alternative approaches in improving care; and

(4) the overall impact that such benefit will have on health care as measured through research.

(b) QUALIFYING HEALTH CARE BENEFIT.—In this section, the term ''qualifying health care benefit'' means a health care benefit that—

(1) is disease- or health condition-specific;

(2) requires the provision of or coverage for health care items or services;

(3) applies to group health plan, individual health plans, or health insurance issuers under part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181 et seq.) or under title XXVII of the Public Health Service Act (42 U.S.C. 300gg et seq.); and

(4) was provided under an Act (or amendment) enacted on or after January 1, 1998.

(c) REPORTS.—Not later than 3 years after the date of enactment of any Act described in subsection (a), the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report based on the study conducted under such subsection with respect to the qualifying health care benefit involved.

TITLE V—WOMEN'S HEALTH RESEARCH AND PREVENTION

SEC. 501. SHORT TITLE.

This title may be cited as the ''Women's Health Research and Prevention Amendments of 1998''.

Subtitle A—Provisions Relating to Women's Health Research at the National Institutes of Health

SEC. 511. EXTENSION OF PROGRAM FOR RESEARCH AND AUTHORIZATION OF NATIONAL PROGRAM OF EDUCATION REGARDING THE DRUG DES.

(a) IN GENERAL.—Section 403A(e) of the Public Health Service Act (42 U.S.C. 283a(e)) is amended by striking ''1996'' and inserting ''2001''.

(b) NATIONAL PROGRAM FOR EDUCATION OF HEALTH PROFESSIONALS AND PUBLIC.—From amounts appropriated for carrying out section 403A of the Public Health Service Act (42 U.S.C. 283a), the Secretary of Health and Human Services, acting through the heads of the appropriate agencies of the Public Health Service, shall carry out a national program for the education of health professionals and the public with respect to the drug diethylstilbestrol (commonly known as DES). To the extent appropriate, such national program shall use methodologies developed through the education demonstration program carried out under such section 403A. In developing and carrying out the national program, the Secretary shall consult closely with representatives of nonprofit private entities that represent individuals who have been exposed to DES and that have expertise in community-based information campaigns for the public and for health care providers. The implementation of the national program shall begin during fiscal year 1999.

SEC. 512. RESEARCH ON OSTEOPOROSIS, PAGET'S DISEASE, AND RELATED BONE DISORDERS.

Section 409A(d) of the Public Health Service Act (42 U.S.C. 284e(d)) is amended by striking ''and 1996'' and inserting ''through 2001''.

SEC. 513. RESEARCH ON CANCER.

(a) IN GENERAL.—Section 417B(a) of the Public Health Service Act (42 U.S.C. 286a–8(a)) is amended by striking ''and 1996'' and inserting ''through 2001''.

(b) RESEARCH ON BREAST CANCER.—Section 417B(b)(1) of the Public Health Service Act (42 U.S.C. 286a–8(b)(1)) is amended—

(1) in subparagraph (A), by striking ''and 1996'' and inserting ''through 2001''; and

(2) in subparagraph (B), by striking ''and 1996'' and inserting ''through 2001''.

(c) RESEARCH ON OVARIAN AND RELATED CANCER RESEARCH.—Section 417B(b)(2) of the Public Health Service Act (42 U.S.C. 286a–8(b)(2)) is amended by striking ''and 1996'' and inserting ''through 2001''.

SEC. 514. RESEARCH ON HEART ATTACK, STROKE, AND OTHER CARDIOVASCULAR DISEASES IN WOMEN.

Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285b et seq.) is amended by inserting after section 424 the following:

''HEART ATTACK, STROKE, AND OTHER CARDIOVASCULAR DISEASES IN WOMEN

''SEC. 424A. (a) IN GENERAL.—The Director of the Institute shall expand, intensify, and coordinate research and related activities of the Institute with respect to heart attack, stroke, and other cardiovascular diseases in women.

''(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate activities under subsection (a) with similar activities conducted by the other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to heart attack, stroke, and other cardiovascular diseases in women.

''(c) CERTAIN PROGRAMS.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the causes of, and to develop methods for preventing, cardiovascular diseases in women. Activities under such subsection shall include conducting and supporting the following:

''(1) Research to determine the reasons underlying the prevalence of heart attack, stroke, and other cardiovascular diseases in women, including African-American women and other women who are members of racial or ethnic minority groups.

''(2) Basic research concerning the etiology and causes of cardiovascular diseases in women.

''(3) Epidemiological studies to address the frequency and natural history of such diseases and the differences among men and women, and among racial and ethnic groups, with respect to such diseases.

''(4) The development of safe, efficient, and cost-effective diagnostic approaches to evaluating women with suspected ischemic heart disease.

''(5) Clinical research for the development and evaluation of new treatments for women, including rehabilitation.

''(6) Studies to gain a better understanding of methods of preventing cardiovascular diseases in women, including applications of effective methods for the control of blood pressure, lipids, and obesity.

''(7) Information and education programs for patients and health care providers on risk factors associated with heart attack, stroke, and other cardiovascular diseases in women, and on the importance of the prevention or control of such risk factors and timely referral with appropriate diagnosis and treatment. Such programs shall include information and education on health-related behaviors that can improve such important risk factors as smoking, obesity, high blood cholesterol, and lack of exercise.

''(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2001. The authorization of appropriations established in the preceding sentence is in addition to any other authorization of appropriation that is available for such purpose.''.

SEC. 515. AGING PROCESSES REGARDING WOMEN.

Section 445I of the Public Health Service Act (42 U.S.C. 285e–11) is amended by striking ''and 1996'' and inserting ''through 2001''.

SEC. 516. OFFICE OF RESEARCH ON WOMEN'S HEALTH.

Section 486(d)(2) of the Public Health Service Act (42 U.S.C. 287d(d)(2)) is amended by striking ''Director of the Office'' and inserting ''Director of the National Institutes of Health''.

Subtitle B—Provisions Relating to Women's Health at the Centers for Disease Control and Prevention

SEC. 521. NATIONAL CENTER FOR HEALTH STATISTICS.

Section 306(n) of the Public Health Service Act (42 U.S.C. 242k(n)) is amended—

(1) in paragraph (1), by striking ''through 1998'' and inserting ''through 2002''; and

(2) in paragraph (2), by striking ''through 1998'' and inserting ''through 2002''.

SEC. 522. NATIONAL PROGRAM OF CANCER REGISTRIES.

Section 399L(a) of the Public Health Service Act (42 U.S.C. 280e–4(a)) is amended by striking ''through 1998'' and inserting ''through 2002''.

SEC. 523. NATIONAL BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAM.

(a) GRANTS.—Section 1501(b) of the Public Health Service Act (42 U.S.C. 300k(b)) is amended—

(1) in paragraph (1), by striking ''nonprofit''; and

(2) in paragraph (2), by striking ''that are not nonprofit entities''.

(b) PREVENTIVE HEALTH.—Section 1509(d) of the Public Health Service Act (42 U.S.C. 300n–4a(d)(1)) is amended by striking ''through 1998'' and inserting ''through 2002''.

(c) GENERAL PROGRAM.—Section 1510(a) of the Public Health Service Act (42 U.S.C. 300n–5(a)) is amended by striking ''through 1998'' and inserting ''through 2002''.

SEC. 524. CENTERS FOR RESEARCH AND DEMONSTRATION OF HEALTH PROMOTION.

Section 1706(e) of the Public Health Service Act (42 U.S.C. 300u–5(e)) is amended by striking ''through 1998'' and inserting ''through 2002''.

SEC. 525. COMMUNITY PROGRAMS ON DOMESTIC VIOLENCE.

Section 318(h)(2) of the Family Violence Prevention and Services Act (42 U.S.C. 10418(h)(2)) is amended by striking ''fiscal year 1997'' and inserting ''for each of the fiscal years 1997 through 2002''.

Subtitle C—Women's Health and Cancer Rights

SEC. 531. SHORT TITLE.

This subtitle may be cited as the ''Women's Health and Cancer Rights Act of 1998''.

SEC. 532. FINDINGS.

Congress finds that—

(1) the offering and operation of health plans affect commerce among the States;

(2) health care providers located in a State serve patients who reside in the State and patients who reside in other States; and

(3) in order to provide for uniform treatment of health care providers and patients among the States, it is necessary to cover health plans operating in 1 State as well as health plans operating among the several States.

SEC. 533. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.), as amended by sections 111 and 302, is further amended by adding at the end the following new section:

''SEC. 715. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR RECONSTRUCTIVE SURGERY FOLLOWING MASTECTOMIES.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the surgical treatment of breast cancer (including a mastectomy, lumpectomy, or lymph node dissection for the treatment of breast cancer) is provided for a period of time as is determined by the attending physician, in his or her professional judgment consistent with scientific evidence-based practices or guidelines, in consultation with the patient, to be medically appropriate.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician in consultation with the patient determine that a shorter period of hospital stay is medically appropriate.

''(b) RECONSTRUCTIVE SURGERY.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits with respect to a mastectomy shall ensure that, in a case in which a mastectomy patient elects breast reconstruction, coverage is provided for—

''(1) all stages of reconstruction of the breast on which the mastectomy has been performed;

''(2) surgery and reconstruction of the other breast to produce a symmetrical appearance; and

''(3) the costs of prostheses and complications of mastectomy including lymphedemas;

in the manner determined by the attending physician and the patient to be appropriate. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage. Written notice of the availability of such coverage shall be delivered to the participant upon enrollment and annually thereafter.

''(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

''(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 1999;

whichever is earlier.

''(d) NO AUTHORIZATION REQUIRED.—

''(1) IN GENERAL.—An attending physician shall not be required to obtain authorization from the plan or issuer for prescribing any length of stay in connection with a mastectomy, a lumpectomy, or a lymph node dissection for the treatment of breast cancer.

''(2) PRENOTIFICATION.—Nothing in this section shall be construed as preventing a group health plan from requiring prenotification of an inpatient stay referred to in this section if such requirement is consistent with terms

and conditions applicable to other inpatient benefits under the plan, except that the provision of such inpatient stay benefits shall not be contingent upon such notification.

''(e) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to a patient eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to individuals to encourage such individuals to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; and

''(5) subject to subsection (f)(2), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(f) RULES OF CONSTRUCTION.—

''(1) IN GENERAL.—Nothing in this section shall be construed to require a patient who is a participant or beneficiary—

''(A) to undergo a mastectomy or lymph node dissection in a hospital; or

''(B) to stay in the hospital for a fixed period of time following a mastectomy or lymph node dissection.

''(2) COST SHARING.—Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(3) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(g) PREEMPTION, RELATION TO STATE LAWS.—

''(1) IN GENERAL.—Nothing in this section shall be construed to preempt any State law with respect to health insurance coverage that—

''(A) relates to hospital length of stays after a mastectomy, lumpectomy, or lymph node dissection;

''(B) relates to coverage of reconstructive breast surgery after a mastectomy, lumpectomy, of lymph node dissection; or

''(C) requires coverage for breast cancer treatments (including breast reconstruction) in accordance with scientific evidence-based practices or guidelines recommended by established medical associations.

''(2) APPLICATION OF SECTION.—With respect to a State law—

''(A) described in paragraph (1)(A), the provisions of this section relating to breast reconstruction shall apply in such State; and

''(B) described in paragraph (1)(B), the provisions of this section relating to length of stays for surgical breast treatment shall apply in such State.

''(3) ERISA.—Nothing in this section shall be construed to affect or modify the provisions of section 514 with respect to group health plans.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 note) is amended by inserting after the item relating to section 714 the following new item:

''Sec. 715. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for reconstructive surgery following mastectomies.''.

(c) EFFECTIVE DATES.—The amendments made by this section shall apply with respect to plan years beginning on or after the date of enactment of this Act.

SEC. 534. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE GROUP MARKET.

(a) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-4 et seq.), as amended by section 303(a), is further amended by adding at the end the following new section:

''SEC. 2707. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR RECONSTRUCTIVE SURGERY FOLLOWING MASTECTOMIES.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the surgical treatment of breast cancer (including a mastectomy, lumpectomy, or lymph node dissection for the treatment of breast cancer) is provided for a period of time as is determined by the attending physician, in his or her professional judgment consistent with scientific evidence-based practices or guidelines, in consultation with the patient, to be medically appropriate.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician in consultation with the patient determine that a shorter period of hospital stay is medically appropriate.

''(b) RECONSTRUCTIVE SURGERY.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits with respect to a mastectomy shall ensure that, in a case in which a mastectomy patient elects breast reconstruction, coverage is provided for—

''(1) all stages of reconstruction of the breast on which the mastectomy has been performed;

''(2) surgery and reconstruction of the other breast to produce a symmetrical appearance; and

''(3) the costs of prostheses and complications of mastectomy including lymphedemas;

in the manner determined by the attending physician and the patient to be appropriate. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage. Written notice of the availability of such coverage shall be delivered to the enrollee upon enrollment and annually thereafter.

''(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

''(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 1999;

whichever is earlier.

''(d) NO AUTHORIZATION REQUIRED.—

''(1) IN GENERAL.—An attending physician shall not be required to obtain authorization from the plan or issuer for prescribing any length of stay in connection with a mastectomy, a lumpectomy, or a lymph node dissection for the treatment of breast cancer.

''(2) PRENOTIFICATION.—Nothing in this section shall be construed as preventing a plan or issuer from requiring prenotification of an inpatient stay referred to in this section if such requirement is consistent with terms and conditions applicable to other inpatient benefits under the plan, except that the provision of such inpatient stay benefits shall not be contingent upon such notification.

''(e) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to a patient eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to individuals to encourage such individuals to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; and

''(5) subject to subsection (f)(2), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(f) RULES OF CONSTRUCTION.—

''(1) IN GENERAL.—Nothing in this section shall be construed to require a patient who is a participant or beneficiary—

''(A) to undergo a mastectomy or lymph node dissection in a hospital; or

''(B) to stay in the hospital for a fixed period of time following a mastectomy or lymph node dissection.

''(2) COST SHARING.—Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing

for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(3) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(g) PREEMPTION, RELATION TO STATE LAWS.—

''(1) IN GENERAL.—Nothing in this section shall be construed to preempt any State law with respect to health insurance coverage that—

''(A) relates to a hospital length of stay after a mastectomy, lumpectomy, or lymph node dissection;

''(B) relates to coverage of reconstructive breast surgery after a mastectomy, lumpectomy, or lymph node dissection; or

''(C) requires coverage for breast cancer treatments (including breast reconstruction) in accordance with scientific evidence-based practices or guidelines recommended by established medical associations.

''(2) APPLICATION OF SECTION.—With respect to a State law—

''(A) described in paragraph (1)(A), the provisions of this section relating to breast reconstruction shall apply in such State; and

''(B) described in paragraph (1)(B), the provisions of this section relating to length of stays for surgical breast treatment shall apply in such State.

''(3) ERISA.—Nothing in this section shall be construed to affect or modify the provisions of section 514 with respect to group health plans.''.

(b) EFFECTIVE DATES.—The amendments made by this section shall apply to group health plans for plan years beginning on or after the date of enactment of this Act.

SEC. 535. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE INDIVIDUAL MARKET.

(a) IN GENERAL.—Subpart 3 of part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-51 et seq.), as amended by section 303(b), is further amended by adding at the end the following new section:

''SEC. 2753. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER.

''The provisions of section 2707 shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after the date of enactment of this Act.

SEC. 536. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

(a) IN GENERAL.—Subchapter A of chapter 100 of the Internal Revenue Code of 1986 (relating to group health plan portability, access, and renewability requirements) is amended by inserting after section 9803 the following new section:

''SEC. 9804. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR RECONSTRUCTIVE SURGERY FOLLOWING MASTECTOMIES.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the surgical treatment of breast cancer (including a mastectomy, lumpectomy, or lymph node dissection for the treatment of breast cancer) is provided for a period of time as is determined by the attending physician, in his or her professional judgment consistent with scientific evidence-based practices or guidelines, in consultation with the patient, to be medically appropriate.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician in consultation with the patient determine that a shorter period of hospital stay is medically appropriate.

''(b) RECONSTRUCTIVE SURGERY.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits with respect to a mastectomy shall ensure that, in a case in which a mastectomy patient elects breast reconstruction, coverage is provided for—

''(1) all stages of reconstruction of the breast on which the mastectomy has been performed;

''(2) surgery and reconstruction of the other breast to produce a symmetrical appearance; and

''(3) the costs of prostheses and complications of mastectomy including lymphedemas;

in the manner determined by the attending physician and the patient to be appropriate. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage. Written notice of the availability of such coverage shall be delivered to the participant upon enrollment and annually thereafter.

''(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

''(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 1999;

whichever is earlier.

''(d) NO AUTHORIZATION REQUIRED.—

''(1) IN GENERAL.—A, attending physician shall not be required to obtain authorization from the plan or issuer for prescribing any length of stay in connection with a mastectomy, a lumpectomy, or a lymph node dissection for the treatment of breast cancer.

''(2) PRENOTIFICATION.—Nothing in this section shall be construed as preventing a plan or issuer from requiring prenotification of an inpatient stay referred to in this section if such requirement is consistent with terms and conditions applicable to other inpatient benefits under the plan, except that the provision of such inpatient stay benefits shall not be contingent upon such notification.

''(e) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to a patient eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to individuals to encourage such individuals to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; and

''(5) subject to subsection (f)(2), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(f) RULES OF CONSTRUCTION.—

''(1) IN GENERAL.—Nothing in this section shall be construed to require a patient who is a participant or beneficiary—

''(A) to undergo a mastectomy or lymph node dissection in a hospital; or

''(B) to stay in the hospital for a fixed period of time following a mastectomy or lymph node dissection.

''(2) COST SHARING.—Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(3) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(g) PREEMPTION, RELATION TO STATE LAWS.—

''(1) IN GENERAL.—Nothing in this section shall be construed to preempt any State law with respect to health insurance coverage that—

''(A) relates to a hospital length of stay after a mastectomy, lumpectomy, or lymph node dissection;

''(B) relates to coverage of reconstructive breast surgery after a mastectomy, lumpectomy, or lymph node dissection; or

''(C) requires coverage for breast cancer treatments (including breast reconstruction) in accordance with scientific evidence-based practices or guidelines recommended by established medical associations.

''(2) APPLICATION OF SECTION.—With respect to a State law—

''(A) described in paragraph (1)(A), the provisions of this section relating to breast reconstruction shall apply in such State; and

''(B) described in paragraph (1)(B), the provisions of this section relating to length of stays for surgical breast treatment shall apply in such State.

''(3) ERISA.—Nothing in this section shall be construed to affect or modify the provisions of section 514 with respect to group health plans.''.

(b) CONFORMING AMENDMENTS.—

(1) The heading for subtitle K of such Code is amended to read as follows:

"Subtitle K—Group Health Plan Portability, Access, Renewability, and Other Requirements".

(2) The heading for chapter 100 of such Code is amended to read as follows:

''CHAPTER 100—GROUP HEALTH PLAN PORTABILITY, ACCESS, RENEWABILITY, AND OTHER REQUIREMENTS''.

(3) Section 4980D(a) of such Code is amended by striking ''and renewability'' and inserting ''renewability, and other''.

(c) CLERICAL AMENDMENTS.—

(1) The table of contents for chapter 100 of such Code is amended inserting after the item relating to section 9803 the following new item:

''Sec. 9804. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for reconstructive surgery following mastectomies.''.

(2) The item relating to subtitle K in the table of subtitles for such Code is amended by striking ''and renewability'' and inserting ''renewability, and other''.

(3) The item relating to chapter 100 in the table of chapters for subtitle K of such Code is amended by striking ''and renewability'' and inserting ''renewability, and other''.

(d) EFFECTIVE DATES.—The amendments made by this section shall apply with respect to plan years beginning on or after the date of enactment of this Act.

SEC. 537. RESEARCH STUDY ON THE MANAGEMENT OF BREAST CANCER.

(a) STUDY.—To improve survival, quality of life and patient satisfaction in the care of patients with breast cancer, the Agency for Health Care Policy and Research shall conduct a study of the scientific issues relating to—

(1) disease management strategies for breast cancer that can achieve better patient outcomes;

(2) controlled clinical evidence that links specific clinical procedures to improved health outcomes;

(3) the definition of quality measures to evaluate plan and provider performance in the management of breast cancer;

(4) the identification of quality improvement interventions that can change the process of care to achieve better outcomes for individuals with breast cancer;

(5) preventive strategies utilized by health plans for the treatment of breast cancer; and

(6) the extent of clinical practice variation including its impact on cost, quality and outcomes.

(b) REPORT.—Not later than January 1, 2000, the Agency for Health Care Policy and Research shall prepare and submit to the appropriate committees of Congress a report concerning the results of the study conducted under subsection (a).

TITLE VI—ENHANCED ACCESS TO HEALTH INSURANCE COVERAGE

SEC. 601. CARRYOVER OF UNUSED BENEFITS FROM CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND HEALTH FLEXIBLE SPENDING ACCOUNTS.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) is amended by redesignating subsections (h) and (i) as subsections (i) and (j) and by inserting after subsection (g) the following new subsection:

''(h) ALLOWANCE OF CARRYOVERS OF UNUSED BENEFITS TO LATER TAXABLE YEARS.—

''(1) IN GENERAL.—For purposes of this title—

''(A) a plan or other arrangement shall not fail to be treated as a cafeteria plan or flexible spending or similar arrangement, and

''(B) no amount shall be required to be included in gross income by reason of this section or any other provision of this chapter,

solely because under such plan or other arrangement any nontaxable benefit which is unused as of the close of a taxable year may be carried forward to 1 or more succeeding taxable years.

''(2) LIMITATION.—Paragraph (1) shall not apply to amounts carried from a plan to the extent such amounts exceed $500 (applied on an annual basis). For purposes of this paragraph, all plans and arrangements maintained by an employer or any related person shall be treated as 1 plan.

''(3) ALLOWANCE OF ROLLOVER.—

''(A) IN GENERAL.—In the case of any unused benefit described in paragraph (1) which consists of amounts in a health flexible spending account or dependent care flexible spending account, the plan or arrangement shall provide that a participant may elect, in lieu of such carryover, to have such amounts distributed to the participant.

''(B) AMOUNTS NOT INCLUDED IN INCOME.—Any distribution under subparagraph (A) shall not be included in gross income to the extent that such amount is transferred in a trustee-to-trustee transfer, or is contributed within 60 days of the date of the distribution, to—

''(i) an individual retirement plan other than a Roth IRA (as defined in section 408A(b)),

''(ii) a qualified cash or deferred arrangement described in section 401(k),

''(iii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

''(iv) an eligible deferred compensation plan described in section 457, or

''(v) a medical savings account (within the meaning of section 220).

Any amount rolled over under this subparagraph shall be treated as a rollover contribution for the taxable year from which the unused amount would otherwise be carried.

''(C) TREATMENT OF ROLLOVER.—Any amount rolled over under subparagraph (B) shall be treated as an eligible rollover under section 219, 220, 401(k), 403(b), or 457, whichever is applicable, and shall not be taken into account in applying any limitation (or participation requirement) on employer or employee contributions under such section or any other provision of this chapter for the taxable year of the rollover.

''(4) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1998, the $500 amount under paragraph (2) shall be adjusted at the same time and in the same manner as under section 415(d)(2), except that the base period taken into account shall be the calendar quarter beginning October 1, 1997, and any increase which is not a multiple of $50 shall be rounded to the next lowest multiple of $50.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 602. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to allowance of deductions) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and his dependents.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 603. FULL AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) AVAILABILITY NOT LIMITED TO ACCOUNTS FOR EMPLOYEES OF SMALL EMPLOYERS AND SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Section 220(c)(1)(A) of the Internal Revenue Code of 1986 (relating to eligible individual) is amended to read as follows:

''(A) IN GENERAL.—The term 'eligible individual' means, with respect to any month, any individual if—

''(i) such individual is covered under a high deductible health plan as of the 1st day of such month, and

''(ii) such individual is not, while covered under a high deductible health plan, covered under any health plan—

''(I) which is not a high deductible health plan, and

''(II) which provides coverage for any benefit which is covered under the high deductible health plan.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 220(c)(1) of such Code is amended by striking subparagraphs (C) and (D).

(B) Section 220(c) of such Code is amended by striking paragraph (4) (defining small employer) and by redesignating paragraph (5) as paragraph (4).

(C) Section 220(b) of such Code is amended by striking paragraph (4) (relating to deduction limited by compensation) and by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(b) REMOVAL OF LIMITATION ON NUMBER OF TAXPAYERS HAVING MEDICAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 220 of the Internal Revenue Code of 1986 (relating to medical savings accounts) is amended by striking subsections (i) and (j).

(2) MEDICARE+CHOICE.—Section 138 of such Code (relating to Medicare+Choice MSA) is amended by striking subsection (f).

(c) REDUCTION IN HIGH DEDUCTIBLE PLAN MINIMUM ANNUAL DEDUCTIBLE.—Section 220(c)(2)(A) of the Internal Revenue Code of 1986 (relating to high deductible health plan) is amended—

(1) by striking ''$1,500'' in clause (i) and inserting ''$1,000'', and

(2) by striking ''$3,000'' in clause (ii) and inserting ''$2,000''.

(d) INCREASE IN CONTRIBUTION LIMIT TO 100 PERCENT OF ANNUAL DEDUCTIBLE.—

(1) IN GENERAL.—Section 220(b)(2) of the Internal Revenue Code of 1986 (relating to monthly limitation) is amended to read as follows:

''(2) MONTHLY LIMITATION.—The monthly limitation for any month is the amount equal to 1/12 of the annual deductible of the high deductible health plan of the individual.''

(2) CONFORMING AMENDMENT.—Section 220(d)(1)(A) of such Code is amended by striking ''75 percent of''.

(e) LIMITATION ON ADDITIONAL TAX ON DISTRIBUTIONS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—Section 220(f)(4) of the Internal Revenue Code of 1986 (relating to additional tax on distributions not used for qualified medical expenses) is amended by adding at the end the following:

''(D) EXCEPTION IN CASE OF SUFFICIENT ACCOUNT BALANCE.—Subparagraph (A) shall not apply to any payment or distribution in any taxable year, but only to the extent such payment or distribution does not reduce the fair market value of the assets of the medical savings account to an amount less than the annual deductible for the high deductible

health plan of the account holder (determined as of January 1 of the calendar year in which the taxable year begins).''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 604. PERMITTING CONTRIBUTION TOWARDS MEDICAL SAVINGS ACCOUNT THROUGH FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP).

(a) GOVERNMENT CONTRIBUTION TO MEDICAL SAVINGS ACCOUNT.—

(1) IN GENERAL.—Section 8906 of title 5, United States Code, is amended by adding at the end the following:

''(j)(1) In the case of an employee or annuitant who is enrolled in a catastrophic plan described by section 8903(5), there shall be a Government contribution under this subsection to a medical savings account established or maintained for the benefit of the individual. The contribution under this subsection shall be in addition to the Government contribution under subsection (b).

''(2) The amount of the Government contribution under this subsection with respect to an individual is equal to the amount by which—

''(A) the maximum contribution allowed under subsection (b)(1) with respect to any employee or annuitant, exceeds

''(B) the amount of the Government contribution actually made with respect to the individual under subsection (b) for coverage under the catastrophic plan.

''(3) The Government contributions under this subsection shall be paid into a medical savings account (designated by the individual involved) in a manner that is specified by the Office and consistent with the timing of contributions under subsection (b).

''(4) Subsections (f) and (g) shall apply to contributions under this section in the same manner as they apply to contributions under subsection (b).

''(5) For the purpose of this subsection, the term 'medical savings account' has the meaning given such term by section 220(d) of the Internal Revenue Code of 1986.''.

(2) ALLOWING PAYMENT OF FULL AMOUNT OF CHARGE FOR CATASTROPHIC PLAN.—Section 8906(b)(2) of such title is amended by inserting ''(or 100 percent of the subscription charge in the case of a catastrophic plan)'' after ''75 percent of the subscription charge''.

(b) OFFERING OF CATASTROPHIC PLANS.—

(1) IN GENERAL.—Section 8903 of title 5, United States Code, is amended by adding at the end the following:

''(5) CATASTROPHIC PLANS.—One or more plans described in paragraph (1), (2), or (3), but which provide benefits of the types referred to by paragraph (5) of section 8904(a), instead of the types referred to in paragraphs (1), (2), and (3) of such section.''.

(2) TYPES OF BENEFITS.—Section 8904(a) of such title is amended by inserting after paragraph (4) the following new paragraph:

''(5) CATASTROPHIC PLANS.—Benefits of the types named under paragraph (1) or (2) of this subsection or both, to the extent expenses covered by the plan exceed $500.''.

(3) DISREGARDING CATASTROPHIC PLANS IN DETERMINING LEVEL OF GOVERNMENT CONTRIBUTIONS.—Section 8906(a)(3) of such title is amended by inserting ''described by section 8903(3)'' after ''plans''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contract terms beginning on or after January 1, 1999.

Mr. FRIST. Mr. President, I am pleased to rise today to introduce the ''Patients' Bill of Rights'' with my colleague from Oklahoma, Senator DON NICKLES, the members of the Senate Republican Task Force on Health Care Quality, and our distinguished Majority Leader, Senator TRENT LOTT.

This bill is a product of several months of thoughtful discussion and debate among Republican members to reach a consensus proposal to improve health care quality.

As a physician who has practiced medicine for twenty years, I know that health care is delivered best when the relationship between doctor and patient is given the highest priority. My goal is to provide the necessary support to empower doctors and patients to make important health care decisions.

This proposal includes a ''Patients' Bill of Rights'' which offers protection for patients by insuring them full access to information about their health plan; making sure patients receive necessary emergency care; allowing patients to keep their doctor during a pregnancy or extended illness, even if their doctor is dropped by their plan; and allowing patients direct access to obstetric and gynecological care and pediatric care without having to obtain a referral from a gatekeeper.

Many consumers fear that their health care plans will not give them access to care when they need it most, that they will be denied the benefits they have paid for and been promised, and that their health plans care more about cost than they do about quality. A critical measure of this bill is to hold health plans accountable for the coverage decisions they make and to take the power of denial of care out of the hands of HMOs and place it in the hands of independent medical experts. Our bill requires health plans to make coverage determinations in less than 72 hours if a doctor determines that further delay could jeopardize the life or health of a patient. We want to protect patients before harm occurs by setting up a process for patients and their families to get an immediate answer. Furthermore, we require health plans to provide quick internal grievance and independent external appeals processes in cases where a plan may deny coverage for necessary medical action or because it is an experimental procedure.

Our bill fills a need by providing protections for patients who rely on plans that states cannot touch. Our bill provides independent review of health plans for 125 million Americans without lining the pockets of trial lawyers in the process. Further litigation serves to divert billions of dollars away from health care and puts in the pockets of trial lawyers.

Our bill guarantees patients the right to have access to their own medical information and the right to amend their medical information if mistakes are made. We require health plans to inform a patient of the plan's practices to protect the confidentiality of their medical record and requires health plans to establish safeguards to protect the confidentiality and security of health information.

Our bill has a strong focus on quality and a firm commitment to improve quality. Some believe that quality can be legislated. Some here in Washington believe they know how to define quality. Yet the risk of writing today's concept of quality into law, is that it is an evolving science and if we are too rigid, we fail to capture the innovation that improves quality of care and our ability to measure it.

Our legislation promotes quality improvement by supporting research to give patients and physicians better information regarding quality. The ''Patients' Bill of Rights'' establishes an Agency for Health Care Quality Research (AHQR), whose purpose is to foster overall improvement in health care quality through supporting pertinent research and disseminating information. The Agency is built on the platform of the current Agency for Health Care Policy and Research, but is refocused and enhanced to become the hub and driving force of federal efforts to improve quality of health care in all practice environments—from managed care to solo private practice, from urban to rural settings, and from federal to non-federal programs.

The role of the Agency is not to mandate a national definition of quality, but to support the science necessary to provide information to patients regarding the quality of the care they receive; to allow physicians to compare their quality outcomes with their peers; and to enable employers and individuals to be prudent purchasers based on quality.

The new Agency will build public-private partnerships to advance and share quality measures. Quality means different things to different people. Therefore, in collaboration with the private sector, the Agency shall conduct research that can figure out what quality really means to patients and clinicians, how to measure quality, and what actions can improve care.

It will promote quality by sharing information. While proven medical advances are made daily, patients wait too long to benefit from these discoveries. We must get the science to the people by better sharing of information and more effective dissemination. The Agency is required to develop evidence-rating systems to help people judge the quality of science.

The Agency plays an important role in facilitating innovation in patient care with streamlined assessment of new technologies. Patients should benefit from breakthrough technologies sooner, while inefficient methods should be phased out faster. The Agency will be accessible to both private and public entities for technology assessments and will share information on assessment methodologies.

Currently, quality measurement too often requires manual chart reviews for such simple data as frequently of procedures, infection rates, or other complications. Improved computer systems will advance quality scoring and facilitate decision-making in patient care.

The Agency will aggressively support the development of state-of-the-art information systems systems for health care quality.

While most policy discussions this year are targeting managed care, quality improvement is just as important to the solo private practitioner. The Agency will focus on primary care delivery research to examine how science is translated in the doctor's office. The agency will specifically address quality in rural and other underserved areas by advancing telemedicine services and other distance technologies.

Most of the many federal health care programs today support some kind of health services research and conduct various quality improvement projects. The Agency shall coordinate these initiatives to avoid disjointed, uncoordinated, or duplicative efforts.

Finally, this debate is due to the fact that patients want to know if they receive quality health care. But compared to what? Statistically accurate, sample-based national surveys will efficiently provide reliable and affordable data—without excessive, overly intrusive, and potentially destructive, mandatory reporting requirements. This is accomplished through an expansion of the current Medical Expenditure Panel Survey to require that outcomes be measured and reported to Congress so the public may better determine the state of quality, and cost, of the nation's health care.

The role of the AHQR is not to mandate national standards of clinical practice. Definitions and measures of quality are an evolving science, a science critically important to making educated and appropriate choices in a rapidly changing and dynamic health care system. This bill will go a long way in bridging the gap between what we know and what we do in health care today.

The bill we are introducing today has a strong focus on women's health issues. On March 6, 1998, I introduced S. 1722, the ''Women's Health Research and Prevention Amendments of 1998'' with our Majority Leader, Senator TRENT LOTT, to increase awareness of some of the most pressing diseases and health issues that women in our country face. These provisions, which have been included in the Patients' Bill of Rights Act, focus on women's health research and prevention activities at the National Institutes of Health and the Centers for Disease Control and Prevention. The goal of these provisions is to create greater awareness of women's health issues and to highlight the critical role our public health agencies, the NIH and CDC, play in providing a broad spectrum of activities to improve women's health—including research, screening, prevention, treatment, education, and data collection.

Among others, these provisions promote basic and clinical research for osteoporosis and breast and ovarian cancer. We expand our research efforts into the underlying causes and prevention of cardiovascular diseases in women—the leading cause of death in U.S. women. The bill reauthorizes the National Breast and Cervical Cancer Screening Program which provides for crucial screening services for breast and cervical cancers to underserved women and supports data collection through the National Center for Health Statistics and the National Program of Cancer Registries which are the leading sources of national data on the health status of U.S. women.

The reauthorization of these research programs will help assure scientific progress in our fight against these diseases and will lessen their burden on women and their families. We have the support of nearly the full Senate Labor and Human Resources committee and many members of the United States Senate from both sides of the aisle for these provisions. The level of support for these programs is a testament to the need to combat the disease affecting women and to maintain the crucial health services that help prevent these diseases.

One of the provisions I am most proud to include in this bill is the prohibition on genetic discrimination in healthy insurance practices. We as a nation must face the fear of discrimination in health insurance practices based on our increasing ability to gather genetic information about ourselves and our families. Our ability to predict what diseases individuals may be at risk for in the future has caused great concern that this powerful information—the information we all carry in our genes—may be used against us.

I am deeply troubled when I hear from the Tennessee Breast Cancer Coalition that genetic counselors are facing women everyday who are afraid of the consequences of genetic testing. Women are avoiding genetic testing due to concerns about loss of health insurance coverage for themselves or their families—even though a genetic test might reveal that a woman is not at high risk and therefore allow her to make more informed health care choices.

I am a strong advocate for legislation which would prohibit discrimination in health insurance against healthy individuals and their families based on their genetic information. We all carry genetic mutations that may place us at risk for future disease—therefore we are all at risk for discrimination. If I receive a genetic test which shows I am at risk for cancer, diabetes, or heart disease, should this predictive information be used against me or my family? Particularly when I am currently healthy and, in fact, may never develop the illness? I think the American public has answered quite clearly, ''no.''

The Senate Republican Task Force made the same decision to say ''no.'' Not only are we addressing the rights of patients today—but we are thinking forward to future concerns of patients. I must commend the efforts of my colleague Senator SNOWE whose original bill, S. 89, has provided a framework and the sound principles for the basis of the legislation. She has supported the Task Force effort and worked with us step by step to craft this legislation. I must also commend the members of the Task Force, particularly Senator JEFFORDS, who had the foresight to include these provisions.

Our bill prohibits health insurers from collecting genetic information about a patient; prohibits health insurers from using predictive genetic information to deny coverage; prohibits health insurers from using predictive genetic information in setting premiums or rates; and requires health insurers to inform patients of the health plans' confidentiality practices and safeguards in place if a patient wishes to disclose genetic information for purposes of treatment.

Preventing genetic discrimination has enormous implications for improving the quality of care patients receive. As a physician and researcher, I am particularly concerned that the fear of discrimination will prevent individuals from participating in research studies and therefore hinder the scientific answers we need which hold the promise of higher quality medical care. I am concerned that individuals feel safe taking advantage of new genetic technologies to improve their medical care.

The goal of our bill is to provide the public with peace of mind. If families or individuals want to undergo genetic testing, this bill will ensure that insurance companies cannot discriminate based on this information. We must act now. Only with these measures can we ensure that knowledge about our genetic heritage will be used to improve our health—and not force us to hide in fear that this information will cause us harm.

Finally, our bill enhances access and choice of health insurance coverage by increasing access to and affordability of health care. The bill includes provisions to allow self-employed individuals to fully deduct their health care expenses; provides greater flexibility to employees who utilize flexible spending accounts to pay for health care; and gives incentives to individuals to have control over their health care decisions and costs through expansion of the use of Medical Savings Accounts. This option will allow a patient to access the physician of their choice and choose the medical treatment they need without any interference from a gatekeeper.

The ''Patient's Bill of Rights'' offers all Americans: quality improvement built on a foundation of science, patient protection to access the care they need from the provider of choice, trust in the health care delivery system, and access to affordable health insurance coverage. I am pleased that this bill represents a forward-looking approach to provide for continuous improvement in health care quality. It meets our goal of assuring that the doctor and patient define quality, not HMOs, not bureaucrats and not trial attorneys.

Mr. JEFFORDS. Mr. President, I want to begin by commending Senator NICKLES and all of the Members who participated in putting the ''Patients' Bill of Rights'' legislation together. I think it is solid legislation that will result in a greatly improved health care system for Americans and I am proud to be a co-sponsor of the ''Patients' Bill of Rights.''

As always, there has been a flurry of work over the past few weeks as we have put this legislation together. But this last minute work is only possible because we have laid a solid foundation throughout the entire 105th Congress.

Over the past 14 months, the Labor and Human Resources Committee has held 11 hearings related to the issues of health care quality, confidentiality, genetic discrimination and the Health Care Financing Administration's (HCFA) implementation of its new health insurance responsibilties. Senator BILL FRIST's Public Health and Safety Subcommittee has also held three hearings on the work of the Agency of Health Care Policy and Research (AHCPR). Each of these hearings helped us in developing the separate pieces of legislation that are reflected in our ''Patients'' Bill of Rights.''

Other colleagues here and on the House side, have worked ont this subject for an extended period of time. Many of the protections that are included in the ''Patients' Bill of Rights'' are similar to those fashioned by Senator ROTH and the Finance Committee last year when we provided many of these same protections to plans that serve Medicare patients.

As we prepared this legislation we had three goals in mind. First, give families the protections they want and need. Second, ensure that medical decisions are made by physicians in consultation with their patients. And finally, keep the cost of this legislation low so it does not displace anyone from being able to get health-care coverage.

Information about products or services is the keystone to any well functioning market. This bill requires full information disclosure by an employer about the health plans he or she offers to employees. People need to know what the plan will cover and what their out-of-pocket expenses will be. They need to know where and how they will get their health care and who will be providing those services. They also need to know how adverse decisions by the plan can be appealed, both internally and externally to an independent reviewer.

This aspect of our bill, that gives enrollees a new ERISA remedy of an external grievance and appeals process, is one of which I am particularly proud since it is the cornerstone of S 1712, the Health Care QUEST Act, that I introduced with Senator LIEBERMAN. Under the ''Patients' Bill of Rights,'' enrollees will get timely decisions about what will be covered. Furthermore, if an individual disagrees with the plan's decision, that individual may ultimately appeal the decision to an independent external reviewer. The reviewer's decision will be binding on the part of the health plan. But, the patient maintains his or her current rights under ERISA to go to court.

The medical records provisions, which my committee has also worked on for the past year and are contained in S. 1921, the Health Care PIN Act, which I introduced with Senator DODD, will give people the right to inspect and copy their personal medical information and it will allow them to amend the record if there is inaccurate information. The bill will ensure that the holders of the information safeguard the medical records. It requires them to share, in writing, their confidentiality policies and procedures with individuals.

The 104th Congress enacted the Kassebaum/Kennedy legislation, also known as the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Many consider this legislation to be the most significant federal health insurance reform of the past decade. During this Congress, I have tried to closely monitor the impact of HIPAA over the past year to ensure its successful implementation and consistency with legislative intent.

The federal regulators at HCFA have faced an overwhelming new set of health insurance duties under HIPAA. In the five states that have failed to or chosen not to pass the legislation required by HIPAA (California, Massachusetts, Michigan, Rhode Island, and Missouri), the Department of Health and Human Services is now required to act as insurance regulator for the state HIPAA provisions.

Based on the findings of a GAO report that I will be releasing next week, our experience under HIPAA demonstrates that HCFA is ill equipped to carry out the role of insurance regulator. Building a dual system of overlapping state and federal health insurance regulation is in no one's best interest. The principle that the states should continue to regulate the private health insurance market guided the design of our ''Patients' Bill of Rights'' legislation.

Our legislation creates new federal managed care standards to cover those 48 million Americans covered by ERISA plans that the states cannot protect. We feel that it would be inappropriate to set federal health insurance standards that duplicate the responsibility of the 50 state insurance departments and have HCFA enforce them.

A recent example demonstrates why this is such a concern. The Balanced Budget Act of 1997 establishes a prospective payment system (PPS) for home health care in fiscal year 2000. The payment system designed for the interim period is proving to be an intolerable burden for the home health agencies that serve Vermont's Medicare beneficiaries. At a July 16th House Ways and Means hearing, HCFA's administrator stated that she intended to postpone the development of a Medicare prospective payment systems for home health services. Her statement that she is delaying this mandate will result in many home health providers not receiving the reimbursement that they deserve and puts many of those providers at risk.

Given HCFA's inability to carry out its current responsibilities, I believe it would be irresponsible to promise the American people that they will be able to receive new federal guarantees in the private health insurance system if we are relying on HCFA to enforce these rights.

Our proposal, by keeping the regulation of health insurance where it belongs—at the state level—provides the American people with a real Patients' Bill of Rights that they can have the confidence in knowing will be enforced.

I am afraid that the political battle over this legislation will be the subject that dominates the headlines. But the real issue here is to give Americans the protections they want and need in a package that they can afford and that we can enact. That is why I and others here have been working on this legislation since the beginning of this Congress, and why I hope the ''Patients' Bill of Rights'' we have introduced today will be adopted before the end of the Congress and signed into law by the President.

By Mr. LUGAR:

S. 2331. A bill to provide a limited waiver for certain foreign students of the requirement to reimburse local educational agencies for the costs of the students' education; to the Committee on the Judiciary.

LIMITED WAIVER OF COSTS REQUIREMENTS FOR FOREIGN STUDENTS

● Mr. LUGAR. Mr. President, I rise today to introduce a bill to permit local school districts to waive the cost requirements of foreign students studying in our public high schools in the United States on F–1 visas. The law now mandates that all foreign students who are not in a government-funded exchange program must pay or reimburse the costs of their education in American public schools.

In those public school districts flooded with foreign students who pay no taxes, this requirement makes good sense. However, in those school districts which enroll a small number of foreign students and bear a tolerable burden there may be no need or desire for reimbursement. The decision to enroll and to require cost reimbursement should be made at the local level. Current law, however, does not permit this local discretion. The bill I am introducing will allow local school districts to waive the requirement that foreign students must pay for the cost of their education. The decision to waive or not waive this requirement should be made at the grass roots level, not in Washington and my bill seeks to preserve this principle. It would amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA).

Foreign exchange students bring knowledge, cultural exposure and understanding to American students, schools and communities. I have been a proponent of cultural and educational exchanges and have supported most international exchange programs over the years—both those which bring foreign visitors here and those which send American students, scholars and practitioners abroad. I remain committed to these programs.

In 1996, I supported the Illegal Immigration Reform and Immigrant Responsibility Act. This law states that as of November 30, 1996, IIRIRA prohibits any alien from receiving an F–1 student visa to attend a public elementary school, grades K–8, or a publicly-funded adult education program unless they pay the unsubsidized, per capita cost of their education in advance. My bill would not change current law relating to elementary schools or adult education. It would not pertain to students on formal, government-funded international exchanges. It would simply allow high school officials to waive the cost of education of high school-level foreign students in order to enroll an exchange student, should they wish to do so. I believe this has been an unintended consequence of IIRIRA.

Several cities have ''Sister City'' arrangements between American cities and cities in foreign countries. One valuable component of these arrangements is an exchange program for high school students enabling American youth to spend a year in a foreign high school while students from abroad spend a year in a high school here. No tuition is generally exchanged under the sister city agreement, but current U.S. law states that visitors to our country must pay the unsubsidized cost of their education, even though American students are exempted from the cost requirement.

Along the Alaska-Yukon, Alaska-British Columbia and U.S.-Mexican borders there are schools serving very remote communities on both sides of the border. After enactment of the 1996 law, Canadian or Mexican students were no longer eligible to enter the United States to attend the local public school even though governments and the local school districts agreed to enroll the students.

Many school districts prefer to enroll one or two exchange students a year. Reciprocal exchange agreements are beneficial and host families enjoy these students in their homes. American exchange students attending schools in Germany, for example, are not subjected to the same tuition requirements for their schooling, yet they gain an understanding of German history and culture and benefit from their travels. Currently, U.S. law requires foreign students to pay tuition before they arrive in the United States. The extra paper work, the up-front costs and the extra burden these requirements place on foreign students tend to undermine the purposes of cultural exchanges.

I remain mindful to past abuses of F–1 visas and am sympathetic to the burden that large enrollments of foreign students place on American public schools. My purpose in introducing this bill today is not to weaken the law as it currently reads, but to provide an outlet for our schools to give an educational opportunity for enrolling international exchange students.●

ADDITIONAL COSPONSORS

S. 358

At the request of Mr. DEWINE, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 358, a bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

S. 852

At the request of Mr. LOTT, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 852, a bill to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

S. 1459

At the request of Mr. GRASSLEY, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1459, a bill to amend the Internal Revenue Code of 1986 to provide a 5-year extension of the credit for producing electricity from wind and closed-loop biomass.

S. 1464

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1464, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, and for other purposes.

S. 1482

At the request of Mr. COATS, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1482, a bill to amend section 223 of the Communications Act of 1934 to establish a prohibition on commercial distribution on the World Wide Web of material that is harmful to minors, and for other purposes.

S. 2154

At the request of Mrs. BOXER, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 2154, a bill to promote research to identify and evaluate the health effects of silicone breast implants, and to ensure that women and their doctors receive accurate information about such implants.

SENATE CONCURRENT RESOLUTION 97

At the request of Mrs. FEINSTEIN, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Concurrent Resolution 97, a concurrent resolution expressing the sense of Congress concerning the human rights and humanitarian situation facing the women and girls of Afghanistan.

SENATE CONCURRENT RESOLUTION 105

At the request of Mr. BIDEN, his name was added as a cosponsor of Senate Concurrent Resolution 105, a concurrent resolution expressing the sense of the Congress regarding the culpability of Slobodan Milosevic for war crimes, crimes against humanity, and genocide in the former Yugoslavia, and for other purposes.

SENATE RESOLUTION 189

At the request of Mr. TORRICELLI, the names of the Senator from Wyoming [Mr. ENZI] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Resolution 189, a resolution honoring the 150th anniversary of the United States Women's Rights Movement that was initiated by the 1848 Women's Rights Convention held in Seneca Falls, New York, and calling for a national celebration of women's rights in 1998.

AMENDMENT NO. 3199

At the request of Mr. BINGAMAN his name was added as a cosponsor of Amendment No. 3199 proposed to S. 2168, an original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes.

SENATE CONCURRENT RESOLUTION 108—RECOGNIZING THE 50TH ANNIVERSARY OF THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

Mr. DORGAN (for himself and Mr. FRIST) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary.

S. CON. RES. 108

Whereas in 1948 the Congress, by its enactment of the National Heart Act and creation of the National Heart Institute, recognized the urgent need to establish a national program of research and demonstration projects relating to the causes, diagnosis, treatment, and prevention of diseases of the heart and circulation;

Whereas the Congress has consistently and generously supported the purposes of the National Heart Act;

Whereas, since the creation of the National Heart Institute, the Congress changed the name of the Institute to the National Heart, Lung, and Blood Institute and expanded and clarified the Institute's role in advancing human understanding or awareness of diseases of the heart and blood vessels, diseases of the lungs, diseases of the blood, the use of blood and blood products, the management of blood resources, and sleep disorders through research, research training, demonstration projects, and public education activities;

Whereas June of 1998 marks the 50th anniversary of the creation of the National Heart Institute which was established to lead a national effort to prevent, diagnose, and treat heart diseases;

Whereas research supported by the National Heart, Lung, and Blood Institute has

led to the identification of risk factors for coronary heart disease such as high cholesterol level, high blood pressure, obesity, physical inactivity, and cigarette smoking;

Whereas the National Heart, Lung, and Blood Institute has conducted and supported studies that resulted in lifesaving procedures for heart disease patients, including open-heart surgery, balloon angioplasty, heart transplants, and insertion of pacemakers and other devices to improve heart function;

Whereas patients with asthma, cystic fibrosis, and other lung diseases are receiving better treatment with an improved quality of life because of research supported by programs of the National Heart, Lung, and Blood Institute;

Whereas the work of the National Heart, Lung, and Blood Institute has provided significant bases for progress in the treatment of inherited blood diseases such as sickle cell anemia and hemophilia, and in gene therapy research which suggests the possibility of cures for such diseases;

Whereas the work of the National Heart, Lung, and Blood Institute has provided significant bases for advances in molecular genetics, gene therapy, and other new technologies, which offer opportunity and promise of further advances against such devastating diseases as coronary heart disease, asthma, chronic obstructive lung disease, and cystic fibrosis;

Whereas the National Heart, Lung, and Blood Institute's national education programs have significantly raised public awareness about the dangers of elevated cholesterol levels and high blood pressure, the importance of early response to heart attack symptoms, and asthma prevention and treatment;

Whereas the National Heart, Lung, and Blood Institute's efforts to promote research and education have contributed to a dramatic decline over the past 50 years in death rates from coronary heart disease and stroke;

Whereas researchers, professional societies, voluntary and public health organizations, and patient groups have all contributed to the National Heart Act's goals of advancing research and increasing public awareness;

Whereas the Congress intends that the National Heart, Lung, and Blood Institute continue its contribution to public awareness by disseminating its research findings to health professionals and the public; and

Whereas the Congress intends that the National Heart, Lung, and Blood Institute continue to aggressively pursue efforts to improve the health of the people of the United States by conducting and supporting research and demonstration projects on the causes, diagnosis, treatment, and prevention of diseases of the heart and blood vessels, diseases of the lungs, and diseases of the blood while also conducting or supporting research and demonstration projects on the use of blood and blood products, the management of blood resources, and sleep disorders: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) recognizes the historic significance of the 50th anniversary of the enactment of the National Heart Act and the creation of the institute that became the National Heart, Lung, and Blood Institute;

(2) recognizes heart, lung, and blood researchers, professional societies, voluntary and public health organizations, and patient groups for their active participation in the activities of, or promoted by, the National Heart, Lung, and Blood Institute, and for their many, varied contributions toward the achievement of the goals of the National Heart Act and subsequent related Acts; and

(3) reaffirms its support of the National Heart Act and subsequent related Acts and their primary goal of establishing and implementing a national effort to prevent, diagnose, and treat diseases of the heart and blood vessels, lungs, and blood.

Mr. DORGAN. Mr. President, I am pleased to be submitting today a Senate Concurrent Resolution recognizing and honoring the 50th anniversary of the National Heart, Lung, and Blood Institute. I am joined in this effort by our esteemed colleague from Tennessee, Dr. FRIST, who by profession is a heart and lung transplant surgeon and medical researcher. An identical resolution has already been introduced in the House of Representatives by Representative BILL YOUNG.

Heart disease is our country's No. 1 killer and a leading cause of disability. Chronic lung disease is the fourth leading cause of death. Virtually all of us have a friend or a loved one who has been affected by heart attack, stroke, high blood pressure, other cardiovascular diseases, asthma, cystic fibrosis, sickle cell anemia, or hemophilia.

The NHLBI is the Federal Government's leading supporter of heart research, as well as research into diseases of the blood vessels, lungs, and blood. There have been wonderful discoveries made through research and wonderful treatments that are provided in our hospitals in these areas. For instance, the first open heart surgery did not occur until 1954. Today, surgeons routinely perform double, triple, and even quadruple heart bypass procedures.

Yet there is so much we still do not know. It seems to me more and more research can unlock these mysteries and give us the opportunity to save more and more lives in this country.

I might also add that there is another organization devoted to the reduction of death and disability from heart attack, stroke, and other cardiovascular diseases that is also celebrating its 50th birthday—the American Heart Association. The American Heart Association has worked closely over the years with the National Heart, Lung, and Blood Institute in the fight against cardiovascular diseases.

As many of my colleagues know, I have become increasingly concerned about what has been happening to the amount of money spent on heart and stroke research by the federal government. Even with the significant increases that Congress has been giving to the National Institutes of Health over the past decade, funding for heart research has simply not kept pace even though it kills more Americans than any other disease.

In fact, funding for heart research at the NHLBI appears to be losing more and more ground. It constant dollars from FY 1987 to FY 1997, funding for the NHLBI heart program has decreased by 7.6 percent in constant dollars, while funding for the Heart Program has increased by 27.5 percent.

We can do better, and we must do better. Our Nation must do a better job than this in the battle against America's No. 1 killer.

During the commemoration of this 50th anniversary of the 1948 Heart Act, which created the National Heart Institute, I hope we can make more progress against cardiovascular and other insidious diseases by providing a significant increase in funding for the National Heart, Lung, and Blood Institute and particularly for research against heart disease and stroke.

AMENDMENTS SUBMITTED

RELATIVE TO SLOBODAN MILOSEVIC CULPABILITY

D'AMATO AMENDMENTS NOS. 3212–3213

Mr. D'AMATO proposed two amendments to the concurrent resolution (S. Con. Res. 105) expressing the sense of the Congress regarding the culpability of Slobodan Milosevic for war crimes, crimes against humanity, and genocide in the former Yugoslavia, and for other purposes; as follows:

AMENDMENT NO. 3212

On page 3, line 4, strike ''probable cause'' and insert ''reason''.

AMENDMENT NO. 3213

On page 5, strike lines 24 through page 6 line 5.

SHACKLEFORD BANKS WILD HORSES PROTECTION ACT

MURKOWSKI AMENDMENT NO. 3214

Mr. DOMENICI (for Mr. MURKOWSKI) proposed an amendment to the bill (H.R. 765) to ensure maintenance of a herd of wild horses in Cape Lookout National Seashore; as follows:

In lieu of the language proposed to be inserted, insert the following:

SECTION 1. MAINTENANCE OF WILD HORSES IN CAPE LOOKOUT NATIONAL SEASHORE.

Section 5 of the Act entitled ''An Act to provide for the establishment of the Cape Lookout National Seashore in the State of North Carolina, and for other purposes'', approved March 10, 1966 (Public Law 89–366; 16 U.S.C. 459g–4), is amended by inserting ''(a)'' after ''SEC. 5.'', and by adding at the end the following new subsection:

''(b)(1) The Secretary, in accordance with this subsection, shall allow a herd of 100 free roaming horses in Cape Lookout National Seashore (hereinafter referred to as the 'seashore'): *Provided,* That nothing in this section shall be construed to preclude the Secretary from implementing or enforcing the provisions of paragraph (3).

''(2) Within 180 days after enactment of this subsection, the Secretary shall enter into an agreement with the Foundation for Shackleford Horses (a nonprofit corporation established under the laws of the State of North Carolina), or another qualified nonprofit entity, to provide for management of free roaming horses in the seashore. The agreement shall—

''(A) provide for cost-effective management of the horses while ensuring that natural resources within the seashore are not adversely impacted; and

''(B) allow the authorized entity to adopt any of those horses that the Secretary removes from the seashore.

''(3) The Secretary shall not remove, assist in, or permit the removal of any free roaming horses from Federal lands within the boundaries of the seashore—

''(A) unless the entity with whom the Secretary has entered into the agreement under paragraph (2), following notice and a 90-day response period, fails to meet the terms and conditions of the agreement; or

''(B) unless the number of free roaming horses on Federal lands within Cape Lookout National Seashore exceeds 110; or

''(C) except in the case of an emergency, or to protect public health and safety.

''(4) The Secretary shall annually monitor, assess, and make available to the public findings regarding the population, structure, and health of the free roaming horses in the national seashore.

''(5) Nothing in this subsection shall be construed to require the Secretary to replace horses or otherwise increase the number of horses within the boundaries of the seashore where the herd numbers fall below 100 as a result of natural causes, including, but not limited to, disease or natural disasters.

''(6) Nothing in this subsection shall be construed as creating liability for the United States for any damages caused by the free roaming horses to property located inside or outside the boundaries of the seashore.''.

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 SR–301, Russell Senate Office Building, on Tuesday, July 21, 1998, at 9:30 a.m., to receive testimony on nominations to the Federal Election Commission.

For further information concerning this hearing, please contact Bruce Kasold of the Committee staff on 224–3448.

The nominees presenting testimony will be:

Scott E. Thomas, of the District of Columbia, to be a member of the Federal Election Commission for a term expiring April 30, 2003 (reappointment).

David M. Mason, of Virginia, to be a member of the Federal Election Commission for a term expiring April 30, 2003, vice Trevor Alexander McClurg Potter, resigned.

Darryl R. Wold, of California, to be a member of the Federal Election Commission for a term expiring April 30, 2001, vice Joan D. Aikens, term expired.

Karl J. Sandstrom, of Washington, to be a member of the Federal Election Commission for a term expiring April 30, 2001, vice John Warren McGarry, term expired.

AUTHORITY FOR COMMITTEE TO MEET

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS

Mr. BENNETT. Mr. President, I ask unanimous consent that the Subcommittees on Financial Institutions and Regulatory Relief, and Housing Opportunity and Community Development of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Friday, July 17, 1998, to conduct a joint hearing to review a report on the Real Estate Settlements Procedure Act and The Truth in Lending Act (RESPA/TILA) from the Department of Housing and Urban Development and the Federal Reserve.

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

ADDITIONAL STATEMENTS

HOMEOWNERS PROTECTION ACT OF 1998

• Mr. D'AMATO. Mr. President, I rise today to commend my colleagues in the Senate and the House for passing the Senate/House agreement on S. 318, the Homeowners Protection Act of 1998. This legislation, which I introduced last year, will put an end to forced payments by thousands of middle-class homeowners for unnecessary private mortgage insurance. These unnecessary premiums—which in some cases amount to over $1,000 per year—benefitted no one, other than the PMI companies that raked-in risk-free money. This legislation will make it thousands of dollars cheaper for struggling middle-class home buyers—as well as co-op and condominium buyers—to share in the American dream of home ownership without limiting this opportunity for people who do need PMI coverage.

Mr. President, the House passed this legislation late last night, so this bill will be sent to the White House for the President's signature. Today, requiring unnecessary PMI is unethical—when the President signs S. 318 into law, this fleecing of homeowners will become illegal.

Mr. President, let me begin by acknowledging the important and beneficial role PMI plays in our mortgage markets. Traditionally, lenders have required 20% down for home mortgage loans. PMI was developed to allow home buyers purchase with less than 20% down. PMI is typically required when a home buyer cannot make the standard 20% down payment. In many areas, such as my home region of Long Island, housing prices are so high that many middle class home buyers, particularly first-time buyers, can't come up with a 20% down payment. The problem faced by these home buyers arises because while PMI benefits one party, the lender, it is paid for by the home owner. As a result, the lenders and servicers have no vested interest in pursuing cancellation, and the homeowner who was paying for the PMI could not, or did not know, that the coverage could be canceled.

By passing this legislation, Congress is helping to make the American dream of home ownership more affordable for many home buyers—particularly struggling working families and people in areas with high housing costs—who needed PMI because they don't have a lot of cash on hand for a down payment.

Some industry proponents have questioned whether this is a problem. Mr. President, the numbers speak for themselves. Every year, approximately 1 million mortgage loans are made with PMI coverage.

In hearings in front of the Senate Banking Committee, even the private mortgage insurance industry was forced to admit that at least 250,000 homeowners have at least 20% equity in their homes and are still paying for unnecessary insurance. PMI premiums vary from $20 to $100 or more monthly. This means that working families are losing anywhere from $240 to $1200 or more per year in unnecessary payments. At $100 per month, the savings for 250,000 homeowners would be $300 million yearly.

And these are just low-ball estimates of the extent of this problem—a 1997 analysis of a 20,000 loan portfolio indicated that 1 out of 5 homeowners were still paying for PMI, despite the fact that they had accumulated equity in excess of 20 percent.

S. 318 will remedy this market anomaly by requiring automatic cancellation of PMI once a homeowner has accumulated 22% home equity if homeowner is current on payments. In addition, homeowners with good payment histories can initiate cancellation at 20% equity. This bill will prohibit life-of-the-loan PMI coverage by requiring that coverage be canceled half-way through the loan, regardless of circumstances.

S. 318 also provides that current and future homeowners be given notice of their cancellation rights on an annual basis. S. 318 will accomplish these goals without adding to the regulatory bureaucracy. This legislation is self-effecting and does not have a federal regulator.

In closing, I would like to thank my colleagues in the Senate that have worked tirelessly on this legislation—Senator LAUCH FAIRCLOTH, Senator ROD GRAMS, Senator PAUL SARBANES, Senator RICHARD BRYAN, Senator CHRISTOPHER DODD, Senator CAROL MOSELEY-BRAUN and all cosponsors of the bill.

I would also like to commend Chairman LEACH of the House Banking Committee for his tireless leadership on this issue, and Representative RICK LAZIO who chairs the Housing Subcommittee in the House.

Finally, I would like to thank Representative JIM HANSEN of Utah. Representative HANSEN first discovered the problem confronting homeowners when he tried to cancel the PMI on his condominium. It was Representative HANSEN who brought this abuse to our attention and first introduced PMI legislation in the House. I think we all owe Representative HANSEN a debt of gratitude for his work on this issue.

One more point that needs to be addressed is what is meant by the term ''single-family dwelling.'' This is a defined term in the bill, and is incorporated in defined terms ''residential mortgage'' ''residential mortgage transaction.'' It the intent of the Congress that this term, as used in this legislation, apply to condominiums and cooperatives as well as more traditional single-family detached homes. Many coops and condos are single family dwelling units within multiple dwelling unit structures; however, they are still single family dwelling units as described in the definition of ''single family dwelling'' in this bill (as opposed to multi-family dwellings that include rental units). In fact this issue came to the Congress' attention when Representative HANSEN tried to cancel the PMI on his condominium. The authors of this legislation realize that within real estate industry the term ''single-family dwelling'' is frequently used to refer to detached single family homes alone, and not to the full spectrum of single family housing units (including Condos and coops). Nevertheless, this industry usage was not what we were attempting codify in this bill—in this legislation ''single family dwelling'' includes all single family dwelling units, including condominiums and cooperatives, and owners of all single family residences, and are intended to be covered under this act.●

CLIMATE CHANGE

● Mr. LIEBERMAN. Mr. President, I want to take a few minutes today to talk about the mounting evidence of climate change. No one is saying that there will be an end to the four seasons or that the oceans are about to start boiling. But as we consider the new data, it is becoming increasing clear that we are being warned about the enormous power of humanity to affect our environment. We can either respect our surroundings and work in concert with nature, or we can pollute at our peril.

Here are some of the facts from data collected by the National Oceanic and Atmospheric Administration:

June 1998 was the warmest June on record. Temperatures averaged more than 1 degree Fahrenheit above the 1880–1997 long-term mean. Temperatures over land were even more astonishing—averaging nearly one and three quarters of a degree above the long term mean, exceeding the old record by several tenths of a degree Fahrenheit.

June continued an unprecedented string of record breaking temperatures. Each month this year has set new all-time record global near-surface temperatures.

The period January-June 1998 was the warmest on record.

Even though there was a cooling of the Central Pacific Ocean temperatures due to the end of El Nino, global ocean temperatures during June were still at record high levels.

Given the high degree of persistence of ocean temperature anomalies, scientists tell us it is quite possible that during July we will experience the warmest monthly temperatures ever observed on the planet for the past 600 years.

What has this trend meant for the United States? Essentially, throughout our country we have been experiencing patterns of weather extremes.

The South experienced record dry conditions, with the driest April through June period on record for New Mexico, Texas, Louisiana, and Florida. The drought was most severe in Texas and Florida, where it adversely impacted crops, ranges and pastures, and contributed to the burning of nearly one-half million acres of Florida land.

The drought and heat wave has resulted in a number of new records. For example, Amarillo Texas had 13 days in June where temperatures were over 100 F. With a stable climate, the probability of this recurring is once in 200 years, but with continued increases in greenhouse gases, the probability would change to a 1 in 6 year event.

On the other hand, there have been unusually wet conditions in the northeast and parts of the midwest during June. For example, rainfalls of 5 to 22 inches were observed across most of the central and northeastern states with totals exceeding 200 percent of normal across the Ohio Valley, New England the upper Mississipi Valley. Parts of the Midwest have experienced above normal rainfall since April, and the rains frequently fell from strong to severe thunderstorms, leading to abnormally frequent episodes of tornadoes, hail, managing winds and flash floods. The National Severe Storm Prediction Center reports that 372 tornadoes were recorded during June in the country, which is nearly 200 more than average. NOAA's National Hydrologic Information Center reports 63 flood-related fatalities for 1998 so far.

Numerous rainfall records have been broken. For example, more than 17 inches of rain fell during June at Blue Hill Observatory in Massachusetts, breaking all records.

For the April-June period as a whole, rainfall totals were the highest in the historical record dating back to 1895 in Rhode Island and Massachusetts, the third highest in Tennessee, and the fourth highest in Iowa. Rivers in 17 states were near or above flood state as of July 6.

Mr. President, I believe this new data is additional evidence that we must act to invest in an insurance policy to reduce the threat of global warming.

President Clinton has proposed to Congress a balanced program to arrest greenhouse gases over 5 years through tax credits for energy-efficient purchases and renewable energy investments, and through new research and development programs targeted towards building, industry, transportation and electricity. It is a well-conceived plan, and I'm disappointed that the Senate bill on EPA appropriations reduces the President's request for EPA's portion of this initiative by $91 million.

Unfortunately, the efforts of many here in Congress seem to be aimed at preventing the government from taking any action on climate change—even for programs that would be good for our environment and public health regardless of whether you believe that climate change will happen. The report accompanying the House EPA appropriations bill would even prohibit EPA and the Council on Environmental Quality from ''conducting educational outreach or informational seminars on policies underlying the Kyoto Protocol'' until or unless it is ratified.

Mr. President, let me take a final moment on the floor today to take some pride in the path that Connecticut's largest employer, United Technologies, is taking in this area. Some of you may have seen the full page ad in July 16's Roll Call by UT entitled, Responding to the Challenge of Climate Change. ''Our generation's challenge,'' declares the ad ''is addressing global climate change while sustaining a growing economy—a challenge that demands a serious response from government, as well as industry and the public.'' United Technologies has taken a major step forward to reduce emissions. By 2007, the company commits to cutting its energy and water consumption per dollar sales by 25 percent below 1997 levels, with approximately the same reduction in its emissions that cause climate change. I congratulate United Technologies and its president George David for this great leap forward and urge us all to accept the challenge the company has put forth. ●

UNUM ANNIVERSARY COMMEMORATIVE STATEMENT

● Ms. COLLINS. Mr. President, I rise to congratulate the UNUM Corporation on its 150th Anniversary.

UNUM is based in Portland, Maine, has offices across America and around the globe, and enjoys a reputation for excellence throughout the world.

July 17, 1998 marks the 150th Anniversary of the UNUM Corporation, a company incorporated in Maine in 1848 as Union Mutual Life Insurance Company.

Throughout the past 150 years, UNUM has stayed true to the charge of its founder Elisha B. Pratt to ''find the better way'' and is known today as the company that ''sees farther.''

UNUM has become the world leader in disability insurance and consistently ranks among the best places to work in America.

UNUM has chosen to celebrate its July 17 anniversary by having thousands of its employees volunteer a ''Day of Sharing'' to more than 200 community service projects in six countries.

UNUM's ''Day of Sharing'' builds on a record of community partnership that includes contributing more than 75,000 employee volunteer hours during each of the past five years and the UNUM Foundation contributing $2 million to community programs last year alone.

Not only is UNUM an outstanding and exemplary business leader, providing insurance protection to its customers, it is also an invaluable community partner, improving the communities where its employees have lived and worked for 150 years.

Today, I ask my colleagues in the Senate to join me in congratulating and commending UNUM on its 150th anniversary and its outstanding achievements as a business leader and community partner.●

● Mr. BINGAMAN. Mr. President, I have spoken here many times in the past expressing strong support on the issues of pension reform and pension portability, and I would like to do so again today.

I believe that the accumulation and availability of retirement savings is one of the most significant issues we face in our new economy. Yet while much of the current debate is focused on the viability of the Social Security system—and rightly so—we must not forget that this is only part of the administrative mechanisms we have in place that allow people to move from job to job and take care of their families. As my good friend and colleague from Vermont has already outlined in detail the specifics involved in our Retirement Portability Account bill, I will limit my own comments at this time to some issues I consider to be of special importance.

Currently, employers and employees face three specific problems as individuals attempt to take their retirement funds with them as they change jobs over their career.

The first problem is the specialized rules that have been established for the various kinds of accounts now available to employees. 401(k) plans for the private sector, 403(b) plans for nonprofit organizations, 457 plans for state and local government employees, and so on all possess unique characteristics that are beneficial to individual employers and employees, but also make administrative compatibility between the plans problematic.

The second problem concerns control of the funds accumulated by the employee, that is who is responsible for the paperwork as employees change jobs. This has been one of the foremost concerns of small business owners as they create accounts for a highly-mobile workforce.

The third problem involves the ability of employees to ''park'' their accumulated funds somewhere until they have a new retirement plan. Here, the key has been to find a convenient way to use so-called ''conduit IRA's'' as a transfer mechanism into which funds can be transferred on their way to a different retirement savings plan.

The Retirement Account Portability bill offered by Senator JEFFORDS and I has been developed to remedy these problems and more. This bill—a companion bill to the bipartisan bill introduced by our House colleagues, Representatives EARL POMEROY and JIM KOLBE—is designed to accomplish two very specific and very important goals.

First, the bill will begin the removal of the all too numerous and overly complex barriers that prevent employees from taking their retirement savings with them as they switch jobs. By both eliminating the redtape in the IRS Tax Code that unduly compartmentalizes various plan options and enhancing the effectiveness of conduit IRA's, it will allow individuals to roll their accumulated funds over into accounts at their current place of employment.

This offers two tangible outcomes. First, it allows employees to keep track of their savings in an efficient manner. Second, it alleviates the burden placed on employers in terms of tracking and managing accounts of individuals that have moved on to other jobs. Based on discussions with my constituents, these represent dramatic improvements to current law, and, most significantly, allows individuals the opportunity to take advantage of the best investment options available to them.

The second goal of the bill is, in my view, equally important. As you know, I believe that an internationally competitive economy entails first and foremost an effective diffusion of knowledge between firms and within regions. In the most dynamic regions in our country—Silicon Valley, Route 128, the Research Triangle—this is accomplished primarily by the movement of individuals from firm to firm and the iterative and cumulative interaction that results. This activity should be encouraged in every way possible, and the elimination of restrictions that prevent pension portability will assist in this effort.

In conclusion, let me say that I consider this bill to be an initial but very important step to where we want to go in this country in terms of our savings policy. Our overarching goal is to increase the financial security of all Americans and create an economic environment where each and every individual can prosper.

I would like to thank Senator JEFFORDS on the effort he has expended in crafting this bill, and I look forward to working with him in the future on ever more effective legislation.●

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The text of the bill (H.R. 4101), as amended and passed by the Senate on July 16, 1998, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 4101) entitled ''An Act to making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, $2,836,000: Provided, That not to exceed $11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service, shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,048,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $11,718,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,986,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $5,551,000.

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section

706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $4,283,000: Provided, That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded by this Act, $613,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, $132,184,000: Provided, That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, $5,000,000, to remain available until expended; making a total appropriation of $137,184,000.

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961, $15,700,000, to remain available until expended: Provided, That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, $27,034,000, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), $3,000,000, to remain available until expended.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, $3,668,000: Provided, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations: Provided further, That not less than $2,241,000 shall be transferred to agencies funded by this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, $8,138,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, $63,128,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $125,000, for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98: Provided, That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, to remain available until expended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $28,759,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, $540,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $53,109,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), the Census of Agriculture Act of 1997 (Public Law 105–113), and other laws, $103,964,000, of which up to $23,599,000 shall be available until expended for the Census of Agriculture: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, $768,221,000: Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or $250,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: Provided further, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center, including an easement to the University of Maryland to construct the Transgenic Animal Facility which upon completion shall be accepted by the Secretary as a gift: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): Provided further, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

In the fiscal year 1999, the agency is authorized to charge fees, commensurate with the fair market value, for any permit, easement, lease, or other special use authorization for the occupancy or use of land and facilities (including land and facilities at the Beltsville Agricultural Research Center) issued by the agency, as authorized by law, and such fees shall be credited to this account, and remain available until expended, for authorized purposes.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research

programs of the Department of Agriculture, where not otherwise provided, $31,930,000, to remain available until expended (7 U.S.C. 2209b): Provided, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law, and an additional $13,500,000 is provided to be available on October 1, 1999 under the provisions of this paragraph.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $173,796,000 to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a–i); $21,112,000 for grants for cooperative forestry research (16 U.S.C. 582a–a7); $28,567,000 for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); $51,400,000 for special grants for agricultural research (7 U.S.C. 450i(c)); $15,048,000 for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); $92,200,000 for competitive research grants (7 U.S.C. 450i(b)); $4,918,000 for the support of animal health and disease programs (7 U.S.C. 3195); $550,000 for supplemental and alternative crops and products (7 U.S.C. 3319d); $600,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977 (7 U.S.C. 3318), to remain available until expended; $3,000,000 for higher education graduate fellowship grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); $4,350,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); $1,000,000 for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); $2,500,000 for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); $1,000,000 for a secondary agriculture education program (7 U.S.C. 3152 (h)); $4,000,000 for aquaculture grants (7 U.S.C. 3322); $8,000,000 for sustainable agriculture research and education (7 U.S.C. 5811); $9,200,000 for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University, to remain available until expended (7 U.S.C. 2209b); $1,494,000 for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103–382; and $10,247,000 for necessary expenses of Research and Education Activities, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, $432,982,000: Provided, That of the $2,000,000 made available for a food safety competitive research program at least $550,000 shall be available for research on E.coli:0157H7.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For establishment of a Native American institutions endowment fund, as authorized by Public Law 103–382 (7 U.S.C. 301 note), $4,600,000.

EXTENSION ACTIVITIES

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93–471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, $276,548,000; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), $2,060,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, $58,695,000; payments for the pest management program under section 3(d) of the Act, $10,783,000; payments for the farm safety program under section 3(d) of the Act, $2,855,000; payments for the pesticide impact assessment program under section 3(d) of the Act, $3,214,000; payments to upgrade 1890 land-grant college research, extension, and teaching facilities as authorized by section 1447 of Public Law 95–113 (7 U.S.C. 3222b), $8,304,000, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, $908,000; payments for a groundwater quality program under section 3(d) of the Act, $9,061,000; payments for the agricultural telecommunications program, as authorized by Public Law 101–624 (7 U.S.C. 5926), $900,000; payments for youth-at-risk programs under section 3(d) of the Act, $9,554,000; payments for a food safety program under section 3(d) of the Act, $2,365,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, $3,192,000; payments for Indian reservation agents under section 3(d) of the Act, $1,756,000; payments for sustainable agriculture programs under section 3(d) of the Act, $3,309,000; payments for rural health and safety education as authorized by section 2390 of Public Law 101–624 (7 U.S.C. 2661 note, 2662), $2,628,000; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326 and 328) and Tuskegee University, $25,843,000; and for Federal administration and coordination including administration of the Smith-Lever Act, and the Act of September 29, 1977 (7 U.S.C. 341–349), and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $10,206,000; in all, $432,181,000: Provided, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, the Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, $618,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947 (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, $419,473,000, of which $3,099,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: Provided, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: Provided further, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: Provided further, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as may be deemed necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, and section 102 of the Act of September 21, 1944, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: Provided further, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building: Provided further, That, of the amounts made available under this heading, not less than $22,970,000 shall be used for fruit fly exclusion and detection.

In fiscal year 1999, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Of the total amount available under this heading in fiscal year 1999, $88,000,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account.

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $4,200,000, to remain available until expended: Provided, That the Animal and Plant Health Inspection Service shall enter into a cooperative agreement for construction of a Federal large animal biosafety level-3 containment facility in Iowa.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109, $45,567,000, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $59,521,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: Provided, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $10,998,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,200,000.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 for employment under 5 U.S.C. 3109, $26,390,000: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES

Not to exceed $42,557,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: Provided, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, $446,000.

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, $605,149,000, and in addition, $1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102–237: Provided, That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)): Provided further, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, $572,000.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, $710,842,000: Provided, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: Provided further, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: Provided further, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $1,000,000 shall be available for employment under 5 U.S.C. 3109.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987 (7 U.S.C. 5101–5106), $2,000,000.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of: (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer; or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968 (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $450,000, to remain available until expended (7 U.S.C. 2209b): Provided, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of the farmer's willful failure to follow procedures prescribed by the Federal Government: Provided further, That this amount shall be transferred to the Commodity Credit Corporation: Provided further, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $510,649,000, of which $425,000,000 shall be for guaranteed loans; operating loans, $1,788,378,000, of which $992,906,000 shall be for unsubsidized guaranteed loans and $235,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $1,000,000; for emergency insured loans, $25,000,000 to meet the needs resulting from natural disasters; and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $40,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $19,580,000, of which $6,758,000 shall be for guaranteed loans; operating loans, $70,337,000, of which $11,518,000 shall be for unsubsidized guaranteed loans and $20,539,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $153,000; for emergency insured loans, $5,900,000 to meet the needs resulting from natural disasters; and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $576,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $219,861,000, of which $209,861,000 shall be transferred to and merged with the appropriation for ''Farm Service Agency, Salaries and Expenses''.

RISK MANAGEMENT AGENCY

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), $64,000,000: Provided, That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b).

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1999, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $8,439,000,000 in the President's fiscal year 1999 Budget Request (H. Doc. 105–177)), but not to exceed $8,439,000,000, pursuant to section 2 of the Act of August 17, 1961 (15 U.S.C. 713a–11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1999, the Commodity Credit Corporation shall not expend more than $5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961: Provided, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

DISASTER ASSISTANCE

For necessary expenses to provide assistance to agricultural producers in a county with respect to which a disaster or emergency was declared by the President or the Secretary of Agriculture by July 15, 1998, as a result of drought and fire, through—

(1) the forestry incentives program established under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.), $9,000,000;

(2) a livestock indemnity program carried out in accordance with part 1439 of title 7, Code of Federal Regulations, $300,000;

(3) the emergency conservation program authorized under sections 401, 402, and 404 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201, 2202, 2204), $2,000,000; and

(4) the disaster reserve assistance program established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a), $10,000,000;

to remain available until expended: Provided, That the entire amount shall be available only to the extent that the President submits to Congress an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.): Provided further, That the entire amount of funds necessary to carry out this paragraph is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

RESERVE INVENTORIES

For the reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a), $500,000,000: Provided, That the entire amount shall be available only to the extent that the President submits to Congress an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.): Provided further, That the entire amount of funds necessary to carry out this paragraph is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

TITLE II

CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, $693,000.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the programs administered by the Natural Resources Conservation Service, including the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed $100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, $638,664,000, to remain available until expended (7 U.S.C. 2209b), of which not less than $5,835,000 is for snow survey and water forecasting and not less than $9,025,000 is for operation and establishment of the plant materials centers: Provided, That, of the total amount appropriated, $433,000 shall be used, along with prior year appropriations provided for this project, to complete construction of the Alderson Plant Materials Center, Alderson, West Virginia: Provided, further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed $250,000: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): Provided further, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 in demonstration projects: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e–2).

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954 (16 U.S.C. 1001–1009), $11,190,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $110,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954 (16 U.S.C. 1001–1005, 1007–1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and in accordance with the provisions of laws relating to the activities of the Department, $101,036,000, to remain available until expended (7 U.S.C. 2209b) (of which up to $15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a)): Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93–205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010–1011; 76 Stat. 607), the Act of April 27, 1935 (16 U.S.C. 590a–f), and the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), $34,377,000, to remain available until expended (7 U.S.C. 2209b): Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $6,325,000, to remain available until expended, as authorized by that Act.

TITLE III

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, $588,000.

RURAL COMMUNITY ADVANCEMENT PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, and 1932, except for sections 381E–H and 381N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f), $702,601,000, to remain available until expended, of which $29,786,000 shall be for rural community programs described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act; of which $622,522,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; and of which $47,893,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: Provided, That of the amount appropriated for the rural business and cooperative development programs, not to exceed $500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: Provided further, That of the total amount appropriated, 3 percent shall be reserved for federally recognized Indian tribes through July 31, 1999, and if not used by Indian tribes shall be available for use by other qualified applicants: Provided further, That of the total amount appropriated, not to exceed $70,000 shall be available under 7 U.S.C. 381O and shall be used only for demonstration programs: Provided further, That of the amount appropriated for rural utilities programs, not to exceed $20,000,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act; not to exceed $25,000,000 shall be for water and waste disposal systems for rural and native villages in Alaska pursuant to section 306D of such Act; not to exceed $16,215,000 shall be for technical assistance grants for rural waste systems pursuant to section 306(a)(14) of such Act; and not to exceed $5,200,000 shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: Provided further, That of the total amount appropriated, $2,800,000 shall be available for a community improvement project in Arkansas: Provided further, That of the total amount appropriated, not to exceed $33,926,000 shall be available through June 30, 1999, for empowerment zones and enterprise communities, as authorized by Public Law 103–66, of which $1,844,000 shall be for rural community programs described in section

381E(d)(1) of such Act; of which $24,900,100 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; of which $8,134,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: $4,000,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which $3,000,000,000 shall be for unsubsidized guaranteed loans; $30,000,000 for section 504 housing repair loans; $75,000,000 for section 538 guaranteed multi-family housing loans; $15,758,000 for section 514 farm labor housing; $128,640,000 for section 515 rental housing; $5,000,000 for section 524 site loans; $25,000,000 for credit sales of acquired property, of which up to $4,000,000 may be for multi-family credit sales; and $5,000,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, $120,900,000, of which $2,700,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, $10,569,000; section 538 multi-family housing guaranteed loans, $1,740,000; section 514 farm labor housing, $8,199,000; section 515 rental housing, $62,069,000; section 524 site loans, $16,000; credit sales of acquired property, $3,826,000, of which up to $1,932,000 may be for multi-family credit sales; and section 523 self-help housing land development loans, $282,000: Provided, That of the total amount appropriated in this paragraph, $10,380,100 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103–66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $360,785,000, which shall be transferred to and merged with the appropriation for ''Rural Housing Service, Salaries and Expenses''.

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, $583,397,000; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: Provided, That of this amount, not more than $5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: Provided further, That agreements entered into or renewed during fiscal year 1999 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $26,000,000, to remain available until expended (7 U.S.C. 2209b): Provided, That of the total amount appropriated, $1,000,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103–66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

RURAL HOUSING ASSISTANCE GRANTS

For grants and contracts for housing for domestic farm labor, very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1486, 1490e, and 1490m, $45,720,000, to remain available until expended: Provided, That of the total amount appropriated, $1,372,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103–66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Housing Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, title V of the Housing Act of 1949, and cooperative agreements, $60,978,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $520,000 may be used for employment under 5 U.S.C. 3109: Provided futher, That the Administrator may expend not more than $10,000 to provide modest nonmonetary awards to non-USDA employees.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, $16,615,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans of $33,000,000: Provided further, That through June 30, 1999, of the total amount appropriated, $3,215,520 shall be available for the cost of direct loans for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, $7,246,000: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

In addition, for administrative expenses to carry out the direct loan programs, $3,482,000 shall be transferred to and merged with the appropriation for ''Rural Business-Cooperative Service, Salaries and Expenses''.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $23,000,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, $5,801,000.

Of the funds derived from interest on the cushion of credit payments in fiscal year 1999, as authorized by section 313 of the Rural Electrification Act of 1936, $3,783,000 shall not be obligated and $3,783,000 are rescinded.

RURAL COOPERATIVE DEVELOPMENT GRANTS

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), $3,000,000, of which $1,300,000 shall be available for cooperative agreements for the appropriate technology transfer for rural areas program and $250,000 shall be available for an agribusiness and cooperative development program.

SALARIES AND EXPENSES

For necessary expenses of the Rural Business-Cooperative Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act; section 1323 of the Food Security Act of 1985; the Cooperative Marketing Act of 1926; for activities relating to the marketing aspects of cooperatives, including economic research findings, as authorized by the Agricultural Marketing Act of 1946; for activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; $25,680,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $260,000 may be used for employment under 5 U.S.C. 3109.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901–5908), $7,000,000 are appropriated to the Alternative Agricultural Research and Commercialization Corporation Revolving Fund.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, $71,500,000; 5 percent rural telecommunications loans, $75,000,000; cost of money rural telecommunications loans, $250,000,000; municipal rate rural electric loans, $295,000,000; and loans made pursuant to section 306 of that Act, rural electric, $700,000,000 and rural telecommunications, $120,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of direct loans, $16,667,000; cost of municipal rate loans, $25,842,000; cost of money rural telecommunications loans, $675,000: Provided, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $29,982,000, which shall be transferred to and merged with the appropriation for ''Rural Utilities Service, Salaries and Expenses''.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out its authorized programs. During fiscal year 1999 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be $140,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the

cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935), $3,710,000.

In addition, for administrative expenses necessary to carry out the loan programs, $3,000,000, which shall be transferred to and merged with the appropriation for ''Rural Utilities Service, Salaries and Expenses''.

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., $12,680,000, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: Provided, That the costs of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, and the Consolidated Farm and Rural Development Act, and for cooperative agreements, $33,000,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $105,000 may be used for employment under 5 U.S.C. 3109.

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, $554,000.

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; $9,219,897,000, to remain available through September 30, 2000, of which $4,171,747,000 are hereby appropriated and $5,048,150,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): Provided, That up to $4,300,000 shall be available for independent verification of school food service claims: Provided further, That none of the funds under this heading shall be available unless the value of bonus commodities provided under section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), and section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is included in meeting the minimum commodity assistance requirement of section 6(g) of the National School Lunch Act (42 U.S.C. 1755(g)).

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $3,948,000,000, to remain available through September 30, 2000: Provided, That up to $15,000,000 may be used to carry out the farmers' market nutrition program: Provided further, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics, except those that have an announced policy of prohibiting smoking within the space used to carry out the program: Provided further, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966.

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), $23,781,806,000, of which $100,000,000 shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: Provided, That not to exceed $5,700,000 of the funds made available under this head shall be used for studies and evaluations: Provided further, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: Provided further, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: Provided further, That funds made available for Employment and Training under this head shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) and the Emergency Food Assistance Act of 1983, $141,000,000, to remain available through September 30, 2000: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note), and section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a), $141,081,000, to remain available through September 30, 2000.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, $109,069,000, of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $131,795,000: Provided, That of the total amount appropriated, up to $2,000,000 is available solely for the purpose of offsetting fluctuations in international currency exchange rates and these funds and any other funds that are deposited into the overseas exchange rate account shall be available until expended: Provided further, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691, 1701–1704, 1721–1726a, 1727–1727e, 1731–1736g–3, and 1737), as follows: (1) $203,475,000 for Public Law 480 title I credit, including Food for Progress programs; (2) $17,608,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985; (3) $837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) $30,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: Provided, That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: Provided further, That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, and the Food for Progress Act of 1985, including the cost of modifying credit agreements under said Act, $176,596,000.

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 480 are utilized, $1,850,000, of which $1,035,000 may be transferred to and merged with the appropriation for ''Foreign Agricultural Service and General Sales Manager'' and $815,000 may be transferred to and merged with the appropriation for ''Farm Service Agency, Salaries and Expenses''.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, $3,820,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which $3,231,000 may be transferred to and merged with the appropriation for ''Foreign Agricultural Service and General Sales Manager'' and $589,000 may be transferred to and merged with the appropriation for ''Farm Service Agency, Salaries and Expenses''.

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Food and Drug Administration which are included in this Act; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $1,072,640,000, of which not to exceed $132,273,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this appropriation and remain available until expended: Provided, That fees derived from applications received during fiscal

year 1999 shall be subject to the fiscal year 1999 limitation: Provided further, That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

In addition, fees pursuant to section 354 of the Public Health Service Act may be credited to this account, to remain available until expended.

In addition, fees pursuant to section 801 of the Federal Food, Drug, and Cosmetic Act may be credited to this account, to remain available until expended.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $12,350,000, to remain available until expended (7 U.S.C. 2209b).

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1994, as authorized, $2,565,000.

INDEPENDENT AGENCY

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; $61,000,000, including not to exceed $1,000 for official reception and representation expenses: Provided, That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia to cover the Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1999 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 440 passenger motor vehicles, of which 437 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 703. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U.S.C. 427, 1621–1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: Provided, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, integrated systems acquisition project, and up to $2,000,000 for costs associated with collocating regional offices; Farm Service Agency, salaries and expenses funds made available to county committees; and Foreign Agricultural Service, middle-income country training program.

New obligational authority for the boll weevil program; up to 10 percent of the screwworm program of the Animal and Plant Health Inspection Service; Food Safety and Inspection Service, field automation and information management project; funds appropriated for rental payments; funds for the Native American Institutions Endowment Fund in the Cooperative State Research, Education, and Extension Service; and funds for the competitive research grants (7 U.S.C. 450i(b)), shall remain available until expended.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94–449.

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 710. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 711. With the exception of grants awarded under the Small Business Innovation Development Act of 1982, Public Law 97–219 (15 U.S.C. 638), none of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service that exceed 14 percent of total Federal funds provided under each award.

SEC. 712. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 713. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 1999 shall remain available until expended to cover obligations made in fiscal year 1999 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. 714. Such sums as may be necessary for fiscal year 1999 pay raises for programs funded by this Act shall be absorbed within the levels appropriated by this Act.

SEC. 715. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service and the Animal and Plant Health Inspection Service may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service or the Animal and Plant Health Inspection Service and a State or Cooperator to carry out agricultural marketing programs or to carry out programs to protect the Nation's animal and plant resources.

SEC. 716. None of the funds in this Act may be used to retire more than 5 percent of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.

SEC. 717. Hereafter, none of the funds made available to the Department of Agriculture may be used to provide assistance to, or to pay the salaries of personnel who carry out a market promotion/market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

SEC. 718. Of the funds made available by this Act, not more than $1,350,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture, except for panels used to comply with negotiated rule makings and panels used to evaluate competitively awarded grants.

SEC. 719. None of the funds appropriated in this Act may be used to carry out the provisions of section 918 of Public Law 104–127, the Federal Agriculture Improvement and Reform Act.

SEC. 720. No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.

SEC. 721. None of the funds appropriated or otherwise made available to the Department of Agriculture shall be used to transmit or otherwise make available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

SEC. 722. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board.

SEC. 723. (a) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1999, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed

by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1999, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of $500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

SEC. 724. Hereafter, none of the funds appropriated or otherwise available to the Department of Agriculture may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

SEC. 725. The Federal facility located in Stuttgart, Arkansas, and known as the ''United States National Rice Germplasm Evaluation and Enhancement Center'', shall be known and designated as the ''Dale Bumpers National Rice Research Center'': Provided, That any reference in law, map, regulation, document, paper, or other record of the United States to such federal facility shall be deemed to be a reference to the ''Dale Bumpers National Rice Research Center''.

SEC. 726. Notwithstanding any other provision of law, the Secretary of Agriculture, subject to the reprogramming requirements established by this Act, may transfer up to $26,000,000 in discretionary funds made available by this Act among programs of the Department, not otherwise appropriated for a specific purpose or a specific location, for distribution to or for the benefit of the Lower Mississippi Delta Region, as defined in Public Law 100–460, prior to normal state or regional allocation of funds: Provided, That any funds made available through Chapter Four of Title III, Subtitle D of the Federal Agriculture Improvement and Reform Act of 1996 may be included in any amount reprogrammed under this section if such funds are used for a purpose authorized by such Chapter.

SEC. 727. None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel to carry out section 793 of Public Law 104–127.

SEC. 728. None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel to enroll in excess of 120,000 acres in the fiscal year 1999 wetlands reserve program as authorized by 16 U.S.C. 3837.

SEC. 729. Notwithstanding section 27(a) of the Food Stamp Act, the amount specified for allocation under such section for fiscal year 1999 shall be $80,000,000.

SEC. 730. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out a conservation farm option program, as authorized by section 335 of Public Law 104–127.

SEC. 731. Public Law 102–237, Title X, Section 1013(a) and (b) (7 U.S.C. 426 note) is amended by striking '', to the extent practicable,'' in each instance in which it appears.

SEC. 732. Funds made available for conservation operations by this or any other Act, including prior-year balances, shall be available for financial assistance and technical assistance for Franklin County, Mississippi, in the amounts earmarked in appropriations report language.

SEC. 733. Notwithstanding section 381A of Public Law 104–127, the definitions of rural areas for certain business programs administered by the Rural Business-Cooperative Service and the community facilities programs administered by the Rural Housing Service shall be those provided for in statute and regulations prior to the enactment of Public Law 104–127.

SEC. 734. Section 306D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d) is amended by inserting ''25 percent in'' in lieu of ''equal'' in subsection (b), and by inserting ''$25,000,000'' in lieu of ''$15,000,000'' in subsection (d).

SEC. 735. None of the funds made available to the Food and Drug Administration by this Act shall be used to close or relocate, or to plan to close or relocate, the Food and Drug Administration Division of Drug Analysis in St. Louis, Missouri.

SEC. 736. None of the funds appropriated or otherwise made available by this Act shall be used to carry out any commodity purchase program which would prohibit participation by a farmer-owned cooperative.

SEC. 737. None of the funds made available by this Act or any other Act for any fiscal year may be used to carry out section 302(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) unless the Secretary of Agriculture inspects and certifies agricultural processing equipment, and imposes a fee for the inspection and certification, in a manner that is similar to the inspection and certification of agricultural products under that section, as determined by the Secretary: Provided, That this provision shall not affect the authority of the Secretary to carry out the Federal Meat Inspection Act (21 U.S.C. 601 et seq.), the Poultry Products Inspection Act (21 U.S.C. 451 et seq.), or the Egg Products Inspection Act (21 U.S.C. 1031 et seq.).

SEC. 738. (a) AMENDMENT OF THE ARMS EXPORT CONTROL ACT.—Section 102(b)(2)(D) of the Arms Export Control Act (22 U.S.C. 2799aa–1(b)(2)(D)) is amended—

(1) in clause (i) by striking ''or'' at the end;

(2) in clause (ii) by striking the period at the end and inserting '', or''; and

(3) by inserting after clause (ii) the following:

''(iii) to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities.''.

(b) The amendments made by subsection (a) shall apply to any credit, credit guarantee, or other financial assistance approved by the Department of Agriculture before, on, or after the date of enactment of this Act.

(c) Amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided, That such amounts shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 739. None of the funds appropriated or otherwise made available by this Act may be used to require any producer to pay an administrative fee for catastrophic risk protection under section 508(b)(5)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(A)) in an amount that is greater than $50 per crop per county.

SEC. 740. Nothing in this Act shall be interpreted or construed to alter the current implementation of the Wetlands Reserve Program, unless expressly provided herein.

SEC. 741. That notwithstanding section 4703(d)(1) of title 5, United States Code, the personnel management demonstration project established in the Department of Agriculture, as described at 55 FR 9062 and amended at 61 FR 9507 and 61 FR 49178, shall be continued indefinitely and become effective upon enactment of this Act.

SEC. 742. (a) The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''.

(b) Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking ''September 30, 1998'' and inserting ''September 30, 1999''.

(c) The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''.

(d) Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (t), by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''; and

(2) in subsection (u), by striking ''September 30, 1998'' and inserting ''September 30, 1999''.

SEC. 743. METHYL BROMIDE ALTERNATIVES RESEARCH. (a) REVIEW.—The Secretary of Agriculture, acting through the Agricultural Research Service, shall conduct a review of the methyl bromide alternatives research conducted by the Secretary that describes—

(1) the amount of funds expended by the Secretary since January 1, 1990, on methyl bromide alternatives research, including a description of the amounts paid for salaries, expenses, and actual research;

(2) plot and field scale testing of methyl bromide alternatives conducted by the Secretary since January 1, 1990, including a description of—

(A) the total amount of funds expended for the testing;

(B) the amount of funds expended for the testing as a portion of a larger project or independently of other projects; and

(C) the results of the testing and the impact of the results on future research; and

(3) variables that impact the effectiveness of methyl bromide alternatives, including a description of—

(A) the individual variables; and

(B) the plan of the Secretary for addressing each of the variables during the plot and field scale testing conducted by the Secretary.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to the appropriations committees of both Houses of Congress a report that describes the results of the review conducted under subsection (a).

SEC. 744. SENSE OF SENATE ON DISASTER ASSISTANCE FOR TEXAS AGRICULTURAL PRODUCERS. (a) FINDINGS.—The Senate finds that—

(1) the statewide economic impact of the drought on agriculture in the State of Texas could be more than $4,600,000,000 in losses, according to the Agricultural Extension Service of the State;

(2) the direct loss of income to agricultural producers in the State is $1,500,000,000;

(3) the National Weather Service has reported that all 10 climatic regions in the State have received below-average rainfall from March through May of 1998, a critical time in the production of corn, cotton, sorghum, wheat, and forage;

(4) the total losses for cotton producers in the State have already reached an estimated $500,000,000;

(5) nearly half of the rangeland in the State (as of May 31, 1998) was rated as poor or very poor as a result of the lack of rain;

(6) the value of lost hay production in the State will approach an estimated $175,000,000 statewide, leading to an economic impact of $582,000,000;

(7) dryland fruit and vegetable production losses in East Texas have already been estimated at $33,000,000;

(8) the early rains in many parts of the State produced a large quantity of forage that is now extremely dry and a dangerous source of fuel for wildfires; and

(9) the Forest Service of the State has indicated that over half the State is in extreme or high danger of wildfires due to the drought conditions.

(b) SENSE OF SENATE.—It is the sense of the Senate that the Secretary of Agriculture should—

(1) streamline the drought declaration process to provide necessary relief to the State of Texas as quickly as is practicable;

(2) ensure that local Farm Service Agency offices in the State are equipped with full-time and emergency personnel in drought-stricken areas to assist agricultural producers with disaster loan applications;

(3) direct the Forest Service, and request the Federal Emergency Management Agency, to assist the State in prepositioning fire fighting equipment and other appropriate resources in affected counties of the State;

(4) authorize haying and grazing on acreage in the State that is enrolled in the conservation reserve program carried out under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831); and

(5) convene experts within the Department of Agriculture to develop and implement an emergency plan for the State to help prevent wildfires and to overcome the economic impact of the continuing drought by providing assistance from the Department in a rapid and efficient manner for producers that are suffering from drought conditions.

SEC. 745. Section 1237D(c)(1) of subchapter C of the Food Security Act of 1985 is amended by inserting after ''perpetual'' the following ''or 30-year''.

SEC. 746. Section 1237(b)(2) of subchapter C of the Food Security Act of 1985 is amended by adding the following:

''(C) For purposes of subparagraph (A), to the maximum extent practicable should be interpreted to mean that acceptance of wetlands reserve program bids may be in proportion to landowner interest expressed in program options.''.

SEC. 747. TECHNICAL CORRECTIONS TO AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998. (a) FOREST AND RANGELAND RENEWABLE RESOURCES RESEARCH.—Section 3(d)(3) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(d)(3)) (as amended by section 253(b) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking ''The Secretary'' and inserting ''At the request of the Governor of the State of Maine, New Hampshire, New York, or Vermont, the Secretary''.

(b) HONEY RESEARCH, PROMOTION, AND CONSUMER INFORMATION.—Section 7(e)(2) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(e)(2)) (as amended by section 605(f)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking ''$0.0075'' each place it appears and inserting ''$0.01''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of the Agricultural Research, Extension, and Education Reform Act of 1998.

SEC. 748. None of the funds appropriated by this Act or any other Act shall be used to pay the salaries and expenses of personnel who prepare or submit appropriations language as part of the President's Budget submission to the Congress of the United States for programs under the jurisdiction of the Appropriations Subcommittees on Agriculture, Rural Development, and Related Agencies that assumes revenues or reflects a reduction from the previous year due to user fees proposals that have not been enacted into law prior to the submission of the Budget unless such Budget submission identifies which additional spending reductions should occur in the event the users fees proposals are not enacted prior to the date of the convening of a committee of conference for the fiscal year 2000 appropriations Act.

SEC. 749. PILOT PROGRAM TO PERMIT HAYING AND GRAZING ON CONSERVATION RESERVE LAND. (a) DEFINITIONS.—In this section:

(1) ELIGIBLE STATE.—The term ''eligible State'' means any State that is approved by the Secretary for inclusion in the pilot program under subsection (b), except that the term shall not apply to more than 7 States.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(3) STATE TECHNICAL COMMITTEE.—The term ''State technical committee'' means the State technical committee for a State established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861).

(b) PILOT PROGRAM.—Notwithstanding section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)), during the 4-year period beginning on the date of enactment of this Act, on application by an owner or operator of a farm or ranch located in an eligible State who has entered into a contract with the Secretary under subchapter B of chapter 1 of subtitle D of title XII of that Act (16 U.S.C. 3831 et seq.)—

(1) the Secretary shall permit harvesting and grazing on land on the farm or ranch that the Secretary determines has a sufficiently established cover to permit harvesting or grazing without undue harm to the purposes of the contract if—

(A) no land under the contract will be harvested or grazed more than once in a 4-year period;

(B) the owner or operator agrees to a payment reduction under that subchapter in an amount determined by the Secretary; and

(C) the owner or operator agrees to such other terms and conditions as the Secretary, in consultation with the State technical committee for the State, may establish to ensure that the harvesting or grazing is consistent with the purposes of the program established under that subchapter;

(2) the Secretary may permit grazing on land under the contract if—

(A) the grazing is incidental to the gleaning of crop residues;

(B) the owner or operator agrees to a payment reduction in annual rental payments that would otherwise be payable under that subchapter in an amount determined by the Secretary; and

(C) the owner or operator agrees to such other terms and conditions as the Secretary, in consultation with the State technical committee for the State, may establish to ensure that the grazing is consistent with the purposes of the program established under that subchapter; and

(3) the Secretary shall permit harvesting on land on the farm or ranch that the Secretary determines has a sufficiently established cover to permit harvesting without undue harm to the purposes of the contract if—

(A) land under the contract will be harvested not more than once annually for recovery of biomass used in energy production;

(B) the owner or operator agrees to a payment reduction under that subchapter in an amount determined by the Secretary; and

(C) the owner or operator agrees to such other terms and conditions as the Secretary, in consultation with the State technical committee for the State, may establish to ensure that the harvesting is consistent with the purposes of the program established under that subchapter.

(c) RELATIONSHIP TO OTHER HAYING AND GRAZING AUTHORITY.—During the 4-year period beginning on the date of enactment of this Act, land that is located in an eligible State shall not be eligible for harvesting or grazing under section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)).

(d) CONSERVATION PRACTICES AND TIMING RESTRICTIONS.—Not later than March 1 of each year, the Secretary, in consultation with the State technical committee for an eligible State, shall determine any conservation practices and timing restrictions that apply to land in the State that is harvested or grazed under subsection (b).

(e) STUDY.—The Secretary shall make available not more than $100,000 of funds of the Commodity Credit Corporation to contract with the game, fish, and parks department of an eligible State to conduct an analysis of the program conducted under this section (based on information provided by all eligible States).

(f) REGULATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue such regulations as are necessary to implement this Act.

(2) PROCEDURE.—The issuance of the regulations shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; or

(C) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

SEC. 750. EGG GRADING AND SAFETY. (a) PROHIBITION ON PREVIOUS SHIPMENT OF SHELL EGGS UNDER VOLUNTARY GRADING PROGRAM.—Section 203(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) is amended by adding at the end the following: ''Shell eggs packed under the voluntary grading program of the Department of Agriculture shall not have been shipped for sale previous to being packed under the program, as determined under a regulation promulgated by the Secretary.''.

(b) REPORT ON EGG SAFETY AND REPACKAGING.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture, and the Secretary of Health and Human Services, shall submit a joint status report to the Committees on Appropriations of the House of Representatives and the Senate that describes actions taken by the Secretary of Agriculture and the Secretary of Health and Human Services—

(1) to enhance the safety of shell eggs and egg products;

(2) to prohibit the grading, under the voluntary grading program of the Department of Agriculture, of shell eggs previously shipped for sale; and

(3) to assess the feasibility and desirability of applying to all shell eggs the prohibition on repackaging to enhance food safety, consumer information, and consumer awareness.

SEC. 751. (a) FINDINGS.—

(1) In contrast to our Nation's generally strong economy, in a number of States, agricultural producers and rural communities are experiencing serious economic hardship.

(2) Increased supplies of agricultural commodities in combination with weakened demand have caused prices of numerous farm commodities to decline dramatically.

(3) Demand for imported agricultural commodities has fallen in some regions of the world, due in part to world economic conditions, and United States agricultural exports have declined from their record level of $60,000,000,000 in 1996.

(4) Prolonged periods of weather disasters and crop disease have devastated agricultural producers in a number of States.

(5) Certain States experienced declines in personal farm income between 1996 and 1997.

(6) June estimates by the Department of Agriculture indicate that net farm income for 1998 will fall to $45,500,000,000, down 13 percent from the $52,200,000,000 for 1996.

(7) Total farm debt for 1998 is expected to reach $172,000,000,000, the highest level since 1985.

(8) Thousands of farm families are in danger of losing their livelihoods and life savings.

(b) SENSE OF SENATE.—Now, therefore, it is the sense of the Senate that immediate action by the President and Congress is necessary to respond to the economic hardships facing agricultural producers and their communities.

SEC. 752. ELIGIBILITY OF STATE AGRICULTURAL EXPERIMENT STATIONS FOR CERTAIN AGRICULTURAL RESEARCH PROGRAMS. (a) FUND FOR RURAL AMERICA.—Section 793(c)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(2)(B)) is amended—

(1) in clause (iii), by striking ''or'' at the end;

(2) in clause (iv), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(v) a State agricultural experiment station.''.

(b) INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Section 401(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(d)) is amended—

(1) in paragraph (3), by striking ''or'' at the end;

(2) in paragraph (4), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(5) a State agricultural experiment station.''.

SEC. 753. EXEMPTION OF CERTAIN PRODUCTS FROM UNITED STATES SANCTIONS. (a) FINDINGS.—(1) Prohibiting or otherwise restricting the donations or sales of food, other agricultural products, medicines or medical equipment in order to sanction a foreign government for actions or policies that the United States finds objectionable, unnecessarily harms innocent populations in the targeted country and rarely causes the sanctioned government to alter its actions or policies.

(2) For the United States as a matter of United States policy to deny access to United States food, other agricultural products, medicines and medical equipment by innocent men, women and children in other countries weakens the international leadership and moral authority of the United States.

(3) Sanctions on the sale or donations of American food, other agricultural products, medicine or medical equipment needlessly harm American farmers and workers employed in these sectors by foreclosing markets for these United States products.

(b)(1) EXCLUSION FROM SANCTIONS.—Notwithstanding any other provision of law, the President shall not restrict or otherwise prohibit any exports (including financing) of food, other agricultural products (including fertilizer), medicines or medical equipment as part of any policy of existing or future unilateral economic sanctions imposed against a foreign government.

(2) EXCEPTIONS.—Subsection (b)(1) of this section shall not apply to any regulations or restrictions with respect to such products for health or safety purposes or during periods of domestic shortages of such products.

(c) IMPOSE SANCTIONS.—The President may retain or impose sanctions covered under subsection (b)(1) if he determines that retaining or imposing such sanctions would further United States national security interests.

(d) EFFECTIVE DATE.—This section shall take effect one day after the date of enactment of this section into law.

(e) EXCLUSION OF CERTAIN COUNTRIES.—Notwithstanding any other provision of this section, subsection (b)(2) shall read as follows:

''(2) EXCEPTIONS.—Subsection (b)(1) of this section shall not apply to any country that—

''(A) repeatedly provided support for acts of international terrorism, within the meaning of section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)); or

''(B) systematically denies access to food, medicine, or medical care to persons on the basis of political beliefs or as a means of coercion or punishment.''.

SEC. 754. LIVESTOCK INDUSTRY IMPROVEMENT. (a) DOMESTIC MARKET REPORTING.—

(1) IN GENERAL.—Section 203(g) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(g)) is amended—

(A) by striking ''(g) To'' and inserting the following:

''(g) COLLECTION AND DISSEMINATION OF MARKETING INFORMATION.—

''(1) IN GENERAL.—The Secretary shall''; and

(B) by adding at the end the following:

''(2) DOMESTIC MARKET REPORTING.—

''(A) MANDATORY REPORTING PILOT PROGRAM.—

''(i) IN GENERAL.—The Secretary shall conduct a 3-year pilot program under which the Secretary shall require any person or class of persons engaged in the business of buying, selling, or marketing livestock, livestock products, meat, or meat products in an unmanufactured form to report to the Secretary in such manner as the Secretary shall require, such information relating to prices and the terms of sale for the procurement of livestock, livestock products, meat, or meat products in an unmanufactured form as the Secretary determines is necessary to carry out this subsection.

''(ii) NONCOMPLIANCE.—It shall be unlawful for a person engaged in the business of buying, selling, or marketing livestock, livestock products, meat, or meat products in an unmanufactured form to knowingly fail or refuse to provide to the Secretary information required to be reported under subparagraph (A).

''(iii) CEASE AND DESIST AND CIVIL PENALTY.—

''(I) IN GENERAL.—If the Secretary has reason to believe that a person engaged in the business of buying, selling, or marketing livestock, livestock products, meat, or meat products in an unmanufactured form is violating the provisions of subparagraph (A) (or regulation promulgated under subparagraph (A)), the Secretary after notice and opportunity for hearing, may make an order to cease and desist from continuing the violation and assess a civil penalty of not more than $10,000 for each violation.

''(II) CONSIDERATIONS.—In determining the amount of a civil penalty to be assessed under clause (i), the Secretary shall consider the gravity of the offense, the size of the business involved, and the effect of the penalty on the ability of the person to continue in business.

''(iv) REFERRAL TO ATTORNEY GENERAL.—If, after expiration of the period for appeal or after the affirmance of a civil penalty assessed under clause (iii), the person against whom the civil penalty is assessed fails to pay the civil penalty, the Secretary may refer the matter to the Attorney General, who may recover the amount of the civil penalty in a civil action in United States district court.

''(B) VOLUNTARY REPORTING.—The Secretary shall encourage voluntary reporting by persons engaged in the business of buying, selling, or marketing livestock, livestock products, meats, or meat products in an unmanufactured form that are not subjected to a mandatory reporting requirement under subparagraph (A).

''(C) AVAILABILITY OF INFORMATION.—The Secretary shall make information received under this paragraph available to the public only in a form that ensures that—

''(i) the identity of the person submitting a report is not disclosed; and

''(ii) the confidentiality of proprietary business information is otherwise protected.

''(D) EFFECT ON OTHER LAWS.—Nothing in this paragraph restricts or modifies the authority of the Secretary to collect voluntary reports in accordance with other provisions of law.''.

(2) TECHNICAL AMENDMENT.—Section 203 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622) is amended—

(A) by striking ''The Secretary is directed and authorized:''; and

(B) in the first sentence of each of subsections (a) through (f) and subsections (h) through (n), by striking ''To'' and inserting ''The Secretary shall''.

(b) PROHIBITION ON NONCOMPETITIVE PRACTICES.—Section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), is amended—

(1) in subsection (g), by striking the period at the end and inserting ''; or''; and

(2) by adding at the end the following:

''(h) Engage in any practice or device that the Secretary by regulation, after consultation with producers of cattle, lamb, and hogs, and other persons in the cattle, lamb, and hog industries, determines is a detrimental noncompetitive practice or device relating to the price or a term of sale for the procurement of livestock or the sale of meat or other byproduct of slaughter.''.

(c) PROTECTION OF LIVESTOCK PRODUCERS AGAINST RETALIATION BY PACKERS.—

(1) RETALIATION PROHIBITED.—Section 202(b) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(b)), is amended—

(A) by striking ''or subject'' and inserting ''subject''; and

(B) by inserting before the semicolon at the end the following: '', or retaliate against any livestock producer on account of any statement made by the producer (whether made to the Secretary or a law enforcement agency or in a public forum) regarding an action of any packer''.

(2) SPECIAL REQUIREMENTS REGARDING ALLEGATIONS OF RETALIATION.—Section 203 of the Packers and Stockyards Act, 1921 (7 U.S.C. 193), is amended by adding at the end the following:

''(e) SPECIAL PROCEDURES REGARDING ALLEGATIONS OF RETALIATION.—

''(1) CONSIDERATION BY SPECIAL PANEL.—The President shall appoint a special panel consisting of 3 members to receive and initially consider a complaint submitted by any person that alleges prohibited packer retaliation under section 202(b) directed against a livestock producer.

''(2) COMPLAINT; HEARING.—If the panel has reason to believe from the complaint or resulting investigation that a packer has violated or is violating the retaliation prohibition under section 202(b), the panel shall notify the Secretary who shall cause a complaint to be issued against the packer, and a hearing conducted, under subsection (a).

''(3) EVIDENTIARY STANDARD.—In the case of a complaint regarding retaliation prohibited under section 202(b), the Secretary shall find that the packer involved has violated or is violating section 202(b) if the finding is supported by a preponderance of the evidence.''.

(3) DAMAGES FOR PRODUCERS SUFFERING RETALIATION.—Section 203 of the Packers and Stockyards Act, 1921 (7 U.S.C. 193) (as amended by subsection (b)), is amended by adding at the end the following:

''(f) DAMAGES FOR PRODUCERS SUFFERING RETALIATION.—

''(1) IN GENERAL.—If a packer violates the retaliation prohibition under section 202(b), the packer shall be liable to the livestock producer injured by the retaliation for not more than 3 times the amount of damages sustained as a result of the violation.

''(2) ENFORCEMENT.—The liability may be enforced either by complaint to the Secretary, as provided in subsection (e), or by suit in any court of competent jurisdiction.

''(3) OTHER REMEDIES.—This subsection shall not abridge or alter a remedy existing at common law or by statute. The remedy provided by this subsection shall be in addition to any other remedy.''.

(d) REVIEW OF FEDERAL AGRICULTURE CREDIT POLICIES.—The Secretary of Agriculture, in consultation with the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of the Farm Credit Administration, shall establish an interagency working group to study—

(1) the extent to which Federal lending practices and policies have contributed, or are contributing, to market concentration in the livestock and dairy sectors of the national economy; and

(2) whether Federal policies regarding the financial system of the United States adequately take account of the weather and price volatility risks inherent in livestock and dairy enterprises.

SEC. 755. METERED-DOSE INHALERS. (a) FINDINGS.—Congress finds that—

(1) the Montreal Protocol on Substances That Deplete the Ozone Layer (referred to in this section as the ''Montreal Protocol'') requires the phaseout of products containing ozone-depleting substances, including chloroflourocarbons;

(2) the primary remaining legal use in the United States of newly produced chloroflourocarbons is in metered-dose inhalers;

(3) treatment with metered-dose inhalers is the preferred treatment for many patients with asthma and chronic obstructive pulmonary disease;

(4) the incidence of asthma and chronic obstructive pulmonary disease is increasing in children and is most prevalent among low-income persons in the United States;

(5) the Parties to the Montreal Protocol have called for development of national transition strategies to non-chloroflourocarbon metered-dose inhalers;

(6) the Commissioner of Food and Drugs published an advance notice of proposed rulemaking that suggested a tentative framework for how to phase out the use of metered-dose inhalers that contain chloroflourocarbons in the Federal Register on March 6, 1997, 62 Fed. Reg. 10242 (referred to in this section as the ''proposal''); and

(7) the medical and patient communities, while calling for a formal transition strategy issued by the Food and Drug Administration by rulemaking, have expressed serious concerns that the proposal, if implemented without change, could potentially place some patients at risk by causing the removal of metered-dose inhalers containing chloroflourocarbons from the market before adequate non-chlorofluorocarbon replacements are available.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Food and Drug Administration should, in consultation with the Environmental Protection Agency, assess the risks and benefits to the environment and to patient health of the proposal and any alternatives;

(2) in conducting such assessments, the Food and Drug Administration should consult with patients, physicians, other health care providers, manufacturers of metered-dose inhalers, and other interested parties;

(3) using the results of these assessments, and the information contained in the comments the Food and Drug Administration has received on the proposal, the Food and Drug Administration should promptly issue a rule ensuring that a range of non-chloroflourocarbon metered-dose inhaler alternatives is available for users, comparable to existing treatments in terms of safety, efficacy, and other appropriate parameters necessary to meet patient needs, which rule should not be based on a therapeutic class phaseout approach; and

(4) the Food and Drug Administration should issue a proposed rule described in paragraph (3) not later than May 1, 1999.

SEC. 756. REPORT ON MARKET ACCESS PROGRAM. (a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture, in consultation with the Comptroller General of the United States, shall submit to the committees of Congress specified in subsection (c) a report that, as determined by the Secretary—

(1)(A) analyzes the costs and benefits of programs carried out under that section in compliance with the cost-benefit analysis guidelines established by the Office of Management and Budget in Circular A–94, dated October 29, 1992; and

(B) in any macroeconomic studies, treats resources in the United States as if the resources were likely to be fully employed;

(2) considers all potential costs and benefits of the programs carried out under that section, specifically noting potential distortions in the economy that could lower national output of goods and services and employment;

(3) estimates the impact of programs carried out under that section on the agricultural sector and on consumers and other sectors of the economy in the United States;

(4) considers costs and benefits of operations relating to alternative uses of the budget for the programs under that section;

(5)(A) analyzes the relation between the priorities and spending levels of programs carried out under that section and the privately funded market promotion activities undertaken by participants in the programs; and

(B) evaluates the spending additionality for participants resulting from the program;

(6) conducts an analysis of the amount of export additionality for activities financed under programs carried out under that section in sponsored countries, controlling for relevant variables, including—

(A) information on the levels of private expenditures for promotion;

(B) government promotion by competitor nations;

(C) changes in foreign and domestic supply conditions;

(D) changes in exchange rates; and

(E) the effect of ongoing trade liberalization;

(7) provides an evaluation of the sustainability of promotional effort in sponsored markets for recipients in the absence of government subsidies.

(b) EVALUATION BY COMPTROLLER GENERAL.—The Comptroller General of the United States shall submit an evaluation of the report to the committees specified in subsection (c).

(c) COMMITTEES OF CONGRESS.—The committees of Congress referred to in subsection (a) are—

(1) the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(2) the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate.

SEC. 757. SENSE OF THE SENATE CONCERNING APPROPRIATE ACTIONS TO BE TAKEN TO ALLEVIATE THE ECONOMIC EFFECT OF LOW COMMODITY PRICES. It is the sense of the Senate that—

(1) Congress should pass and the President should sign S.1269, which would reauthorize fast-track trading authority for the President;

(2) Congress should pass and the President should sign S.2078, the Farm and Ranch Risk Management Act, which would allow farmers and ranchers to better prepare for fluctuations in the agricultural economy;

(3) the House of Representatives should follow the Senate and provide full funding for the International Monetary Fund;

(4) Congress should pass and the President should sign sanctions reform legislation so that the agricultural economy of the United States is not harmed by sanctions on foreign trade;

(5) Congress should uphold the Presidential waiver of the Jackson-Vanik amendment to the 1974 Trade Act providing normal trade relations status for China and continue to pursue normal trade relations with China;

(6) the House and Senate should continue to pursue a package of capital gains and estate tax reforms;

(7) the President should pursue stronger oversight on all international trade agreements affecting agriculture and commerce dispute settlement procedures when countries are found to be violating such trade agreements;

(8) the President should sign legislation providing full deductibility of health care insurance for self-employed individuals;

(9) the Congress and the administration should pursue efforts to reduce regulations on farmers; and

(10) the President should use the administrative tools available to him to use Commodity Credit Corporation and unused Export Enhancement Program funds for humanitarian assistance.

SEC. 758. RESERVE INVENTORIES. Section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) is amended—

(1) in the first sentence of subsection (a), by inserting ''of agricultural producers'' after ''distress'';

(2) in subsection (c), by inserting ''the Secretary or'' after ''President or''; and

(3) in subsection (h)—

(A) by striking ''(h) There is hereby'' and inserting the following:

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are''; and

(B) by adding at the end the following:

''(2) USE OF FUNDS FOR CASH PAYMENTS.—The Secretary may use funds made available under this section to make, in a manner consistent with this section, cash payments that don't go for crop disasters, but for income loss to carry out the purposes of this section.''.

SEC. 759. FOOD SAFETY INITIATIVE. (a) IN GENERAL.—In addition to the amounts made available under other provisions of this Act, there are appropriated, out of any money in the Treasury not otherwise appropriated, to carry out activities described in the Food Safety Initiative submitted by the President for fiscal year 1999—

(1) $98,000 to the Chief Economist;

(2) $906,000 to the Economic Research Service;

(3) $8,920,000 to the Agricultural Research Service;

(4) $11,000,000 to the Cooperative State Research, Education, and Extension Service;

(5) $8,347,000 to the Food Safety and Inspection Service; and

(6) $37,000,000 to the Food and Drug Administration.

(b) AMENDMENT OF THE NO NET COST FUND ASSESSMENTS TO PROVIDE FOR COLLECTION OF ALL ADMINISTRATIVE COSTS NOT PREVIOUSLY COVERED AND ALL CROP INSURANCE COSTS FOR TOBACCO.—Section 106A of the Agricultural Act of 1949, as amended (7 U.S.C. 1445–1(c)), is hereby amended by—in subsection (d)(7) changing ''the Secretary'' to ''the Secretary; and'' and by adding a new subsection (d)(8) to read as follows:

''(8) Notwithstanding any other provision of this subsection or other law, that with respect to the 1999 and subsequent crops of tobacco for which price support is made available and for which a fund is maintained under this section, an additional assessment shall be remitted over and above that otherwise provided for in this subsection. Such additional assessment shall be equal to—(1) the administrative costs within the Department of Agriculture that is not otherwise covered under another assessment under this section or under another provision of law; and (2) any and all net losses in Federal crop insurance programs for tobacco, whether those losses be on price-supported tobacco or on other tobaccos. The Secretary shall estimate those administrative and insurance costs in advance. The Secretary may make such adjustments in the assessment under this paragraph for future crops as are needed to cover shortfalls or over-collections. The assessment shall be applied so that the additional amount to be collected under this paragraph shall be the same for all price support tobaccos (and imported tobacco of like kind) which are marketed or imported into the United States during the marketing year for the crops covered by this paragraph. For each domestically produced pound of tobacco the assessment amount to be remitted under this paragraph shall be paid by the purchaser of the tobacco. On imported tobacco, the assessment shall be paid by the importer. Monies collected pursuant to this section shall be commingled with other monies in the No Net Cost Fund maintained under this section. The administrative and crop insurance costs that are taken into account in fixing the amount of the assessment shall be a claim on the Fund and shall be transferred to the appropriate account for the payment of administrative costs and insurance costs at a time determined appropriate by the Secretary. Collections under this paragraph shall not affect the amount of any other collection established under this section or under another provision of law but shall be enforceable

in the same manner as other assessments under this section and shall be subject to the same sanctions for nonpayment.''.

(c) AMENDMENT OF THE NO NET COST ACCOUNT ASSESSMENTS TO PROVIDE FOR COLLECTION OF ALL ADMINISTRATIVE COST NOT PREVIOUSLY COVERED AND ALL CROP INSURANCE COSTS.—Section 106B of the Agricultural Act of 1949, as amended (7 U.S.C. 1445–2), is amended by renumbering subsections ''(i)'' and ''(j)'' as ''(j)'' and ''(k)'' respectively, and by adding a new subsection ''(i)'' to read as follows:

''(i) Notwithstanding any other provision of this section or other law, the Secretary shall require with respect to the 1999 and subsequent crops of tobacco for which price support is made available and for which an account is maintained under this section, that an additional assessment shall be remitted over and above that otherwise provided for in this subsection. Such additional assessment shall be equal to—(1) the administrative costs within the Department of Agriculture that are not otherwise covered under another assessment under this section or under another provision of law; and (2) any and all net losses in Federal crop insurance programs for tobacco, whether those losses be on price-supported tobacco or on other tobaccos. The Secretary shall estimate those administrative and insurance costs in advance. The Secretary may make such adjustments in the assessments under this subsection for future crops as are needed to cover shortfalls or over-collections. The assessment shall be applied so that the additional amount to be collected under this subsection shall be the same for all price support tobaccos (and imported tobacco of like kind) which are marketed or imported into the United States during the marketing year for the crops covered by this subsection. For each domestically produced pound of tobacco the assessment amount to be remitted under this subsection shall be paid by the purchaser of the tobacco. On imported tobacco, the assessment shall be paid by the importer. Monies collected pursuant to this section shall be commingled with other monies in the No Net Cost Account maintained under this section. The administrative and crop insurance costs that are taken into account in fixing the amount of the assessment shall be a claim on the account and shall be transferred to the appropriate account for the payment of administrative costs and insurance costs at a time determined appropriate by the Secretary. Collections under this subsection shall not effect the amount of any other collection established under this section or under another provision of law but shall be enforceable in the same manner as other assessments under this section and shall be subject to the same sanctions for nonpayment.''.

(d) ELIMINATION OF THE TOBACCO BUDGET ASSESSMENT.—Notwithstanding any other provision of law, the provisions of section 106(g) of the Agricultural Act of 1949, as amended (7 U.S.C. 1445(g)), shall not apply or be extended to the 1999 crops of tobacco and shall not, in any case, apply to any tobacco for which additional assessments have been rendered under sections 1 and 2 of this Act.

(e) AMENDMENT OF THE COMMODITY CREDIT CORPORATION CHARTER ACT.—Section 4(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(g)) is amended in the first sentence by striking ''$193,000,000'' and inserting ''$178,000,000''.

SEC. 760. Expenses for computer-related activities of the Department of Agriculture funded through the Commodity Credit Corporation pursuant to section 161(b)(1)(A) of Public Law 104–127 in fiscal year 1999 shall not exceed $50,000,000: Provided, That section 4(g) of the Commodity Credit Corporation Charter Act is amended by striking $178,000,000 and inserting $173,000,000.

SEC. 761. WAIVER OF STATUTE OF LIMITATIONS FOR CERTAIN DISCRIMINATION CLAIMS. (a) DEFINITION OF ELIGIBLE CLAIM.—In this section, the term ''eligible claim'' means a nonemployment-related claim that was filed with the Department of Agriculture on or before July 1, 1997 and alleges discrimination by the Department of Agriculture at any time during the period beginning on January 1, 1981, and ending on December 31, 1996—

(1) in violation of the Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.) in administering—

(A) a farm ownership, farm operating, or emergency loan funded from the Agricultural Credit Insurance Program Account; or

(B) a housing program established under title V of the Housing Act of 1949; or

(2) in the administration of a commodity program or a disaster assistance program.

(b) WAIVER.—To the extent permitted by the Constitution, an eligible claim, if commenced not later than 2 years after the date of the enactment of this Act, shall not be barred by any statute of limitations.

(c) ADMINISTRATIVE PROCEEDINGS.—

(1) IN GENERAL.—In lieu of bringing a civil action, a claimant may seek a written determination on the merits of an eligible claim by the Secretary of Agriculture if such claim is filed with the Secretary within two years of the date of enactment of this Act.

(2) TIME PERIOD FOR RESOLUTION OF ADMINISTRATIVE CLAIMS.—To the maximum extent practicable, the Secretary shall, within 180 days from the date an eligible claim is filed with the Secretary under this subsection, conduct an investigation, issue a written determination, and propose a resolution in accordance with this subsection.

(3) HEARING AND AWARD.—The Secretary shall—

(A) provide the claimant an opportunity for a hearing before making the determination; and

(B) award the claimant such relief as would be afforded under the applicable statute from which the eligible claim arose notwithstanding any statute of limitations.

(d) STANDARD OF REVIEW.—Federal courts reviewing an eligible claim under this section shall apply a de novo standard of review.

(e) LIMITATION ON ADMINISTRATIVE AWARDS AND SETTLEMENT AUTHORITY AND EXTENSION OF TIME.—

(1) LIMITATION ON ADMINISTRATIVE AWARDS AND SETTLEMENT AUTHORITY.—A proposed administrative award or settlement exceeding $75,000 (other than debt relief) of an eligible claim—

(A) shall not take effect until 90 days after notice of the award or settlement is given to the Attorney General; and

(B) shall not take effect if, during that 90-day period, the Attorney General objects to the award or settlement.

(2) EXTENSION OF TIME.—Notwithstanding subsections (b) and (c), if an eligible claim is denied administratively, the claimant shall have at least 180 days to commence a cause of action in a Federal court of competent jurisdiction seeking a review of such denial.

SEC. 762. CENSUS OF AGRICULTURE. (a) IN GENERAL.—Section 2 of the Census of Agriculture Act of 1997 (7 U.S.C. 2204g) is amended—

(1) in subsection (b) by inserting at the end the following: ''In fiscal year 1999 the Secretary of Agriculture is directed to continue to revise the Census of Agriculture to eliminate redundancies in questions asked of farmers by USDA.'';

(2) in subsection (d) by deleting in paragraph (1) ''who willfully gives'' and inserting in its place ''shall not give'', and deleting '', shall be fined not more than $500'';

(3) in subsection (d) by deleting in paragraph (2) ''who refuses or willfully neglects'' and inserting in its place ''shall not refuse or willfully neglect'', and deleting '', shall not be fined more than $100''.

SEC. 763. TREE ASSISTANCE PROGRAM. (a) IN GENERAL.—The Secretary of Agriculture may use funds for tree assistance made available under Public Law 105–174, to carry out a tree assistance program to owners of trees that were lost or destroyed as a result of a disaster or emergency that was declared by the President or the Secretary of Agriculture during the period beginning May 1, 1998, and ending August 1, 1998, regardless of whether the damage resulted in loss or destruction after August 1, 1998.

(b) ADMINISTRATION.—Subject to subsection (c), the Secretary shall carry out the program, to the maximum extent practicable, in accordance with the terms and conditions of the tree assistance program established under part 783 of title 7, Code of Federal Regulations.

(c) ELIGIBILITY.—A person shall be presumed eligible for assistance under the program if the person demonstrates to the Secretary that trees owned by the person were lost or destroyed by May 31, 1999, as a direct result of fire blight infestation that was caused by a disaster or emergency described in subsection (a).

SEC. 764. STUDY OF FUTURE FEDERAL AGRICULTURAL POLICIES. (a) IN GENERAL.—On the request of the Commission on 21st Century Production Agriculture, the Secretary of Agriculture, acting through the Chief Economist of the Department of Agriculture, shall make assistance and information available to the Commission to enable the Commission to conduct a study to guide the development of future Federal agricultural policies.

(b) DUTIES.—In conducting the study, the Commission shall—

(1) examine a range of future Federal agricultural policies that may succeed the policies established under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for the 2003 and subsequent crops, and the impact of such policies on farm income, the structure of agriculture, trade competitiveness, conservation, the environment and other factors;

(2) assess the potential impact of any legislation enacted through the end of the 105th Congress on future Federal agricultural policies; and

(3) review economic agricultural studies that are relevant to future Federal agricultural policies.

(c) REPORT.—Not later than December 31, 1999, the Commission shall submit to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Committees on Appropriations of the House of Representatives and the Senate, the results of the study conducted under this section.

SEC. 765. INDICATION OF COUNTRY OF ORIGIN OF IMPORTED PERISHABLE AGRICULTURAL COMMODITIES. (a) DEFINITIONS.—In this section:

(1) FOOD SERVICE ESTABLISHMENT.—The term ''food service establishment'' means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility, operated as an enterprise engaged in the business of selling foods to the public.

(2) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms ''perishable agricultural commodity'' and ''retailer'' have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).

(b) NOTICE OF COUNTRY OF ORIGIN REQUIRED.—Except as provided in subsection (c), a retailer of a perishable agricultural commodity imported into the United States shall inform consumers, at the final point of sale of the perishable agricultural commodity to consumers, of the country of origin of the perishable agricultural commodity.

(c) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Subsection (b) shall not apply to a perishable agricultural commodity imported into the United States to the extent that the perishable agricultural commodity is—

(1) prepared or served in a food service establishment; and

(2)(A) offered for sale or sold at the food service establishment in normal retail quantities; or

(B) served to consumers at the food service establishment.

(d) METHOD OF NOTIFICATION.—

(1) IN GENERAL.—The information required by subsection (b) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the imported perishable agricultural commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

(2) LABELED COMMODITIES.—If the imported perishable agricultural commodity is already individually labeled regarding country of origin by the packer, importer, or another person, the retailer shall not be required to provide any additional information to comply with this section.

(e) VIOLATIONS.—If a retailer fails to indicate the country of origin of an imported perishable agricultural commodity as required by subsection (b), the Secretary of Agriculture may assess a civil penalty on the retailer in an amount not to exceed—

(1) $1,000 for the first day on which the violation occurs; and

(2) $250 for each day on which the same violation continues.

(f) DEPOSIT OF FUNDS.—Amounts collected under subsection (e) shall be deposited in the Treasury of the United States as miscellaneous receipts.

(g) APPLICATION OF SECTION.—This section shall apply with respect to a perishable agricultural commodity imported into the United States after the end of the 6-month period beginning on the date of the enactment of this Act.

SEC. 766. (a) FINDINGS.—

(1) The President's budget submission includes unauthorized user fees.

(2) It is unlikely these fees will be authorized in the immediate future.

(3) The assumption of revenue from unauthorized user fees results in a shortfall of funds available for programs under the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee.

(4) That among the programs for which additional funds can be justified are—

(A) human nutrition research;

(B) the Food Safety Initiative activities of the United States Department of Agriculture and the Food and Drug Administration;

(C) the Wetlands Reserve Program;

(D) the conservation Farm Option Program;

(E) the Farmland Protection Program;

(F) the Inspector General's Law Enforcement Initiative;

(G) the Food and Drug Administration pre-notification certification;

(H) the Food and Drug Administration clinical pharmacology;

(I) the Food and Drug Administration Office of Cosmetics and Color;

(J) the Rural Electric loan programs;

(K) the Pesticide Data Program;

(L) the Rural Community Advancement Program;

(M) civil rights activities; and

(N) the Fund for Rural America.

(b) SENSE OF SENATE.—Therefore, it is the sense of the Senate that in the event an additional allocation becomes available, the before mentioned programs should be considered for funding.

SEC. 767. OFFICE OF THE SMALL FARMS ADVOCATE. (a) DEFINITION OF SMALL FARM.—In this section, the term ''small farm'' has the meaning given the term in section 506 of the Rural Development Act of 1972 (7 U.S.C. 2666).

(b) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall establish and maintain in the Department of Agriculture an Office of the Small Farms Advocate.

(c) FUNCTIONS.—The Office of the Small Farms Advocate shall—

(1) cooperate with, and monitor, agencies and offices of the Department to ensure that the Department is meeting the needs of small farms;

(2) provide input to agencies and offices of the Department on program and policy decisions to ensure that the interests of small farms are represented; and

(3) develop and implement a plan to coordinate the effective delivery of services of the Department to small farms.

(d) ADMINISTRATOR.—

(1) APPOINTMENT.—The Office of the Small Farms Advocate shall be headed by an Administrator, who shall be appointed by the President, with the advice and consent of the Senate. Nothing in this Act shall be construed to authorize a net increase in the number of political appointees within the Department of Agriculture.

(2) DUTIES.—The Administrator shall—

(A) act as an advocate for small farms in connection with policies and programs of the Department; and

(B) carry out the functions of the Office of the Small Farms Advocate under subsection (b).

(3) EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

''Administrator, Office of the Small Farms Advocate, Department of Agriculture.''.

(e) RESOURCES.—Using funds that are otherwise available to the Department of Agriculture, the Secretary shall provide the Office of the Small Farms Advocate with such human and capital resources as are sufficient for the Office to carry out its functions in a timely and efficient manner.

(f) ANNUAL REPORT.—The Secretary shall annually submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that describes actions taken by the Office of the Small Farms Advocate to further the interests of small farms.

SEC. 768. LIMIT ON PENALTY FOR INADVERTENT VIOLATION OF CONTRACT UNDER THE AGRICULTURAL MARKET TRANSITION ACT. If an owner or producer, in good faith, inadvertently plants edible beans during the 1998 crop year on acreage covered by a contract under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.), the Secretary of Agriculture shall minimize penalties imposed for the planting to prevent economic injury to the owner or producer.

SEC. 769. The Secretary of Agriculture shall present to Congress by March 1, 1999 a report on whether to recommend lifting the ban on the interstate-distribution of State inspected meat.

SEC. 770. PROHIBITION ON LOAN GUARANTEES TO BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS. Section 373 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008h) is amended by striking subsection (b) and inserting the following:

''(b) PROHIBITION OF LOANS FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

''(1) PROHIBITIONS.—Except as provided in paragraph (2)—

''(A) the Secretary may not make a loan under this title to a borrower that has received debt forgiveness on a loan made or guaranteed under this title; and

''(B) the Secretary may not guarantee a loan under this title to a borrower that has received—

''(i) debt forgiveness after April 4, 1996, on a loan made or guaranteed under this title; or

''(ii) received debt forgiveness on no more than 3 occasions on or before April 4, 1996.

''(2) EXCEPTIONS.—

''(A) IN GENERAL.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses of a borrower that was restructured with a write-down under section 353.

''(B) EMERGENCY LOANS.—The Secretary may make an emergency loan under section 321 to a borrower that—

''(i) on or before April 4, 1996, received not more than 1 debt forgiveness on a loan made or guaranteed under this title; and

''(ii) after April 4, 1996, has not received debt forgiveness on a loan made or guaranteed under this title.''.

SEC. 771. DEFINITION OF FAMILY FARM. (a) REAL ESTATE LOANS.—Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by adding at the end the following:

''(c) DETERMINATION OF QUALIFICATION FOR LOAN.—

''(1) PRIMARY FACTOR.—The primary factor to be considered in determining whether an applicant for a loan under this subtitle is engaged primarily and directly in farming or ranching shall be whether the applicant is participating in routine, ongoing farm activities and in overall decisionmaking with regard to the farm or ranch.

''(2) NO BASIS FOR DENIAL OF LOAN.—The Secretary may not deny a loan under this subtitle solely because 2 or more individuals are employed full-time in the farming operation for which the loan is sought.''.

(b) OPERATING LOANS.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by adding at the end the following:

''(d) DETERMINATION OF QUALIFICATION FOR LOAN.—

''(1) PRIMARY FACTOR.—The primary factor to be considered in determining whether an applicant for a loan under this subtitle is engaged primarily and directly in farming or ranching shall be whether the applicant is participating in routine, ongoing farm activities and in overall decisionmaking with regard to the farm or ranch.

''(2) NO BASIS FOR DENIAL OF LOAN.—The Secretary may not deny a loan under this subtitle solely because 2 or more individuals are employed full-time in the farming operation for which the loan is sought.''.

(c) EMERGENCY LOANS.—Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended by adding at the end the following:

''(e) DETERMINATION OF QUALIFICATION FOR LOAN.—

''(1) PRIMARY FACTOR.—The primary factor to be considered in determining whether an applicant for a loan under this subtitle is engaged primarily and directly in farming or ranching shall be whether the applicant is participating in routine, ongoing farm activities and in overall decisionmaking with regard to the farm or ranch.

''(2) NO BASIS FOR DENIAL OF LOAN.—The Secretary may not deny a loan under this subtitle solely because 2 or more individuals are employed full-time in the farming operation for which the loan is sought.''.

(d) EFFECTIVE DATE.—This section shall be considered to have been in effect as of January 1, 1977.

SEC. 772. APPLICABILITY OF DISASTER LOAN COLLATERAL REQUIREMENTS UNDER THE SMALL BUSINESS ACT. Section 324(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964(d)) is amended—

(1) by striking ''(d) All loans'' and inserting the following:

''(d) REPAYMENT.—

''(1) IN GENERAL.— All loans''; and

(2) by adding at the end the following:

''(2) NO BASIS FOR DENIAL OF LOAN.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall not deny a loan under this subtitle to a borrower by reason of the fact that the borrower lacks a particular amount of collateral for the loan if the Secretary is reasonably certain that the borrower will be able to repay the loan.

''(B) REFUSAL TO PLEDGE AVAILABLE COLLATERAL.—The Secretary may deny or cancel a loan under this subtitle if a borrower refuses to pledge available collateral on request by the Secretary.''.

SEC. 773. NOTIFICATION OF RECALLS OF DRUGS AND DEVICES. (a) MATTHEW'S LAW.—This section shall be referred to as ''Matthew's Law''.

(b) DRUGS.—Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended by adding at the end the following:

''(o)(1) If the Secretary withdraws an application for a drug under paragraph (1) or (2) of the first sentence of subsection (e) and a class I recall for the drug results, the Secretary shall take such action as the Secretary may determine to be appropriate to ensure timely notification of the recall to individuals that received the drug, including using the assistance of health professionals that prescribed or dispensed the drug to such individuals.

''(2) In this subsection:

''(A) The term 'Class I' refers to the corresponding designation given recalls in subpart A of part 7 of title 21, Code of Federal Regulations, or a successor regulation.

''(B) The term 'recall' means a recall, as defined in subpart A of part 7 of title 21, Code of Federal Regulations, or a successor regulation, of a drug.''.

(c) DEVICES.—Section 518(e) of such Act (21 U.S.C. 360h(e)) is amended—

(1) in the last sentence of paragraph (2), by inserting ''or if the recall is a class I recall,'' after ''cannot be identified''; and

(2) by adding at the end the following:

''(4) In this subsection, the term 'Class I' refers to the corresponding designation given recalls in subpart A of part 7 of title 21, Code of Federal Regulations, or a successor regulation.''.

(d) CONFORMING AMENDMENT.—Section 705(b) of such Act (21 U.S.C. 375(b)) is amended—

(1) by striking ''or gross'' and inserting ''gross''; and

(2) by striking the period and inserting '', or a class I recall of a drug or device as described in section 505(o)(1) or 518(e)(2).''.

(e) EFFECTIVE DATE.—This section shall take effect one day after the date of enactment of this Act.

TITLE VIII—AGRICULTURAL CREDIT RESTORATION ACT

SEC. 801. SHORT TITLE. This title may be cited as the ''Agricultural Credit Restoration Act''.

SEC. 802. AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT. (a) Section 343(a)(12)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is amended to read as follows:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan;

''(ii) 1 debt forgiveness in the form of a restructuring, write-down, or net recovery buyout, which occurred prior to date of enactment and was due to a financial problem of the borrower relating to a natural disaster or a medical condition of the borrower or of a member of the immediate family of the borrower (or, in the case of a borrower that is an entity, a principal owner of the borrower or a member of the immediate family of such an owner); and

''(iii) any restructuring, write-down, or net recovery buy-out provided as a part of a resolution of a discrimination complaint against the Secretary.''.

(b) Section 355(c)(2) of such Act (7 U.S.C. 2003(c)(2)) is amended to read as follows:

''(2) RESERVATION AND ALLOCATION.—

''(A) IN GENERAL.—The Secretary shall, to the greatest extent practicable, reserve and allocate the proportion of each State's loan funds made available under subtitle B that is equal to that State's target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable, distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county.

''(B) REALLOCATION OF UNUSED FUNDS.—The Secretary may pool any funds reserved and allocated under this paragraph with respect to a State that are not used as described in subparagraph (A) in a State in the first 10 months of a fiscal year with the funds similarly not so used in other States, and may reallocate such pooled funds in the discretion of the Secretary for use by socially disadvantaged farmers and ranchers in other States.''.

(c) Section 373(b)(1) of such Act (7 U.S.C. 2008h(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—Except as provided in this paragraph and in paragraph (2), the Secretary may not make or guarantee a loan under subtitle A or B to a borrower who received debt forgiveness on a loan made or guaranteed under this title unless such forgiveness occurred prior to April 4, 1996.''.

SEC. 803. REGULATIONS. Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate regulations necessary to carry out the amendments made by this Act, without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code; and

(2) the statement of policy of the Secretary of Agriculture relating to notices of proposed rulemaking and public participation in rulemaking that became effective on July 24, 1971 (36 Fed. Reg. 13804).

TITLE IX—INDIA-PAKISTAN RELIEF ACT

SEC. 901. SHORT TITLE. This title may be cited as the ''India-Pakistan Relief Act of 1998''.

SEC. 902. WAIVER AUTHORITY. (a) AUTHORITY.—The President may waive for a period not to exceed one year upon enactment of this Act with respect to India or Pakistan the application of any sanction or prohibition (or portion thereof) contained in section 101 or 102 of the Arms Export Control Act, section 620E(e) of the Foreign Assistance Act of 1961, or section 2(b)(4) of the Export Import Bank Act of 1945.

(b) EXCEPTION.—The authority provided in subsection (a) shall not apply to any restriction in section 102(b)(2) (B), (C), or (G) of the Arms Export Control Act.

(c) AVAILABILITY OF AMOUNTS.—Amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided, That such amounts shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 903. CONSULTATION. Prior to each exercise of the authority provided in section 902, the President shall consult with the appropriate congressional committees.

SEC. 904. REPORTING REQUIREMENT. Not later than 30 days prior to the expiration of a one-year period described in section 902, the Secretary of State shall submit a report to the appropriate congressional committees on economic and national security developments in India and Pakistan.

SEC. 905. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED. In this title, the term ''appropriate congressional committees'' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives and the Committees on Appropriations of the House of Representatives and the Senate.

TITLE X—MEAT LABELING

SEC. 1001. DEFINITIONS. Section 1 of the Federal Meat Inspection Act (21 U.S.C. 601) is amended by adding at the end the following:

''(w) BEEF.—The term 'beef'' means meat produced from cattle (including veal).

''(x) LAMB.—The term 'lamb' means meat, other than mutton, produced from sheep.

''(y) BEEF BLENDED WITH IMPORTED MEAT.—The term 'beef blended with imported meat' means ground beef, or beef in another meat food product that contains United States beef and any imported meat.

''(z) LAMB BLENDED WITH IMPORTED MEAT.—The term 'lamb blended with imported meat' means ground meat, or lamb in another meat food product, that contains United States lamb and any imported meat.

''(aa) IMPORTED BEEF.—The term 'imported beef' means any beef, including any fresh muscle cuts, ground meat, trimmings, and beef in another meat food product, that is not United States beef, whether or not the beef is graded with a quality grade issued by the Secretary.

''(bb) IMPORTED LAMB.—The term 'imported lamb' means any lamb, including any fresh muscle cuts, ground meat, trimmings, and lamb in another meat food product, that is not United States lamb, whether or not the lamb is graded with a quality grade issued by the Secretary.

''(cc) UNITED STATES BEEF.—

''(1) IN GENERAL.—The term 'United States beef' means beef produced from cattle slaughtered in the United States.

''(2) EXCLUSIONS.—The term 'United States beef' does not include—

''(A) beef produced from cattle imported into the United States in sealed trucks for slaughter;

''(B) beef produced from imported carcasses;

''(C) imported beef trimmings; or

''(D) imported boxed beef.

''(dd) UNITED STATES LAMB.—

''(1) IN GENERAL.—The term 'United States lamb' means lamb, except mutton, produced from sheep slaughtered in the United States.

''(2) EXCLUSIONS.—The term 'United States lamb' does not include—

''(A) lamb produced from sheep imported into the United States in sealed trucks for slaughter;

''(B) lamb produced from an imported carcass;

''(C) imported lamb trimmings; or

''(D) imported boxed lamb.''.

SEC. 1002. LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS. (a) LABELING REQUIREMENT.—

(1) IN GENERAL.—Section 1(n) of the Federal Meat Inspection Act (21 U.S.C. 601(n)) is amended by adding at the end the following:

''(13)(A) If it is imported beef or imported lamb offered for retail sale as fresh muscle cuts of beef or lamb and is not accompanied by labeling that identifies it as imported beef or imported lamb.

''(B) If it is United States beef or United States lamb offered for retail sale, or offered and intended for export as fresh muscle cuts of beef or lamb, and is not accompanied by labeling that identifies it as United States beef or United States lamb.

''(C) If it is United States or imported ground beef or other processed beef or lamb product and is not accompanied by labeling that identifies it as United States beef or United States lamb, imported beef or imported lamb, beef blended with imported meat or lamb blended with imported meat, or other designation that identifies the percentage content of United States beef and imported beef United States lamb and imported lamb or contained in the product, as determined by the Secretary under section 7(g).''.

(2) CONFORMING AMENDMENT.—Section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620(a)) is amended by adding at the end the following: ''All imported beef or imported lamb offered for retail sale as fresh muscle cuts of beef or lamb shall be plainly and conspicuously marked, labeled, or otherwise identified as imported beef or imported lamb.''.

(b) GROUND OR PROCESSED BEEF AND LAMB.—Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

''(g) GROUND OR PROCESSED BEEF AND LAMB.—

''(1) VOLUNTARY LABELING.—Subject to paragraph (2), the Secretary shall provide by regulation for the voluntary labeling or identification of ground beef or lamb, other processed beef or lamb products as United States beef or United

States lamb, imported beef or imported lamb, beef blended with imported meat or lamb blended with imported meat, or other designation that identifies the percentage content of United States and imported beef or imported lamb contained in the product, as determined by the Secretary.

''(2) MANDATORY LABELING.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), not later than 18 months after the date of enactment of this subsection, the Secretary shall provide by regulation for the mandatory labeling or identification of ground beef or lamb, other processed beef or lamb products as United States beef or United States lamb, imported beef or imported lamb, beef blended with imported meat or lamb blended with imported meat, or other designation that identifies the percentage content of United States and imported beef or imported lamb contained in the product, as determined by the Secretary.

''(B) APPLICATION.—Subparagraph (A) shall not apply to the extent the Secretary determines that the costs associated with labeling under subparagraph (A) would result in an unreasonable burden on producers, processors, retailers, or consumers.''.

(c) GROUND BEEF AND GROUND LAMB LABELING STUDY.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the effects of the mandatory use of imported, blended, or percentage content labeling on ground beef, ground lamb, and other processed beef or lamb products made from imported beef or imported lamb.

(2) COSTS AND RESPONSES.—The study shall be designed to evaluate the costs associated with and consumer response toward the mandatory use of labeling described in paragraph (1).

(3) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall report the findings of the study conducted under paragraph (1) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1003. REGULATIONS. Not later than 120 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate final regulations to carry out the amendments made by this title.

TITLE XI—BIODIESEL ENERGY DEVELOPMENT ACT

SEC. 1101. SHORT TITLE; TABLE OF CONTENTS. (a) SHORT TITLE.—This title may be cited as the ''Biodiesel Energy Development Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

SEC. 1102. DEFINITIONS. Section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211) is amended—

(1) in paragraph (2), by striking ''derived from biological materials'' and inserting ''derived from domestically produced renewable biological materials (including biodiesel) at mixtures not less than 20 percent by volume'';

(2) in paragraph (8), by striking subparagraph (B) and inserting the following:

''(B) a motor vehicle (other than an automobile) or marine vessel that is capable of operating on alternative fuel, gasoline, or diesel fuel, or an approved blend of alternative fuel and petroleum-based fuel.'';

(3) by redesignating paragraphs (11) through (14) as paragraphs (12), (14), (15), and (16), respectively;

(4) by inserting after paragraph (10) the following:

''(11) the term 'heavy duty motor vehicle' means a motor vehicle or marine vessel that is greater than 8,500 pounds gross vehicle weight rating;'';

(5) by inserting after paragraph (12) (as redesignated by paragraph (3)) the following:

''(13) the term 'marine vessel' means a motorized watercraft or other artificial contrivance used as a means of transportation primarily on the navigable waters of the United States;'';

(6) in paragraph (15) (as redesignated by paragraph (3)), by striking ''biological materials'' and inserting ''domestically produced renewable biological materials (including biodiesel)''.

SEC. 1103. AMENDMENTS TO THE ENERGY POLICY AND CONSERVATION ACT. Section 400AA of the Energy Policy and Conservation Act (42 U.S.C. 6374) is amended—

(1) in the second sentence of subsection (a)(3)(B), by striking ''vehicles converted to use alternative fuels may be acquired if, after conversion,'' and inserting ''existing fleet vehicles may be converted to use alternative fuels at the time of a major vehicle overhaul or rebuild, or vehicles that have been converted to use alternative fuels may be acquired, if''; and

(2) in subsection (g)—

(A) in paragraph (2), by striking ''derived from biological materials'' and inserting ''derived from domestically produced renewable biological materials (including biodiesel) at mixtures not less than 20 percent by volume'';

(B) in paragraph (5), by striking subparagraph (B) and inserting the following:

''(B) a motor vehicle (other than an automobile) or marine vessel that is capable of operating on alternative fuel, gasoline, or diesel fuel, or an approved blend of alternative fuel and petroleum-based fuel; and''; and

(C) in paragraph (6), by inserting ''or marine vessel'' after ''a vehicle''.

SEC. 1104. MINIMUM FEDERAL FLEET REQUIREMENT. Section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(2) by inserting after subsection (b) the following:

''(c) HEAVY DUTY AND DUAL-FUELED VEHICLE COMPLIANCE CREDITS.—

''(1) IN GENERAL.—For purposes of meeting the requirements of this section, the Secretary, in consultation with the Administrator of General Services, if appropriate, shall permit a Federal fleet to acquire 1 heavy duty alternative fueled vehicle in place of 2 light duty alternative fueled vehicles.

''(2) ADDITIONAL CREDITS.—For purposes of this section, the Secretary, in consultation with the Administrator of General Services, if appropriate, shall permit a Federal fleet to take an additional credit for the purchase and documented use of alternative fuel used in a dual-fueled vehicle, comparable conventionally-fueled motor vehicle, or marine vessel.

''(3) ACCOUNTING.—

''(A) IN GENERAL.—In allowing a credit for the purchase of a dual-fueled vehicle or alternative fuel, the Secretary may request a Federal agency to provide an accounting of the purchase.

''(B) GUIDELINES.—The Secretary shall include any request made under subparagraph (A) in the guidelines required under section 308.

''(4) FUEL AND VEHICLE NEUTRALITY.—The Secretary shall carry out this subsection in a manner that is, to the maximum extent practicable, neutral with respect to the type of fuel and vehicle used.''.

SEC. 1105. STATE AND LOCAL INCENTIVES PROGRAMS. (a) ESTABLISHMENT OF PROGRAM.—Section 409(a) of the Energy Policy Act of 1992 (42 U.S.C. 13235(a)) is amended—

(1) in paragraph (2)(A), by striking ''alternative fueled vehicles'' and inserting ''light and heavy duty alternative fueled vehicles and increasing the use of alternative fuels''; and

(2) in paragraph (3)—

(A) in subparagraph (B), by inserting after ''introduction of'' the following: ''converted or acquired light and heavy duty'';

(B) in subparagraph (E), by inserting after ''of sales of'' the following: '', incentives toward use of, and reporting requirements relating to''; and

(C) in subparagraph (G)—

(i) by redesignating clauses (i) through (iii) as clauses (ii) through (iv), respectively; and

(ii) by inserting after ''cost of—'' the following:

''(I) alternative fuels;''.

(b) FEDERAL ASSISTANCE TO STATES.—Section 409(b) of the Energy Policy Act of 1992 (42 U.S.C. 13235(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking ''and'' at the end;

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

(C) by adding at the end the following:

''(D) grants of Federal financial assistance for the incremental purchase cost of alternative fuels.'';

(2) in paragraph (2)(B), by inserting after ''be introduced'' the following: ''and the volume of alternative fuel likely to be consumed''; and

(3) in paragraph (3)—

(A) by inserting ''alternative fuels and'' after ''in procuring''; and

(B) by inserting ''fuels and'' after ''of such''.

(c) GENERAL PROVISIONS.—Section 409(c)(2)(A) of the Energy Policy Act of 1992 (42 U.S.C. 13235(c)(2)(A)) is amended by inserting after ''alternative fueled vehicles in use'' the following: ''and volume of alternative fuel consumed''.

SEC. 1106. ALTERNATIVE FUEL BUS PROGRAM. Section 410(c) of the Energy Policy Act of 1992 (42 U.S.C. 13236(c)) is amended in the second sentence by striking ''and the conversion of school buses to dedicated vehicles'' and inserting ''the incremental cost of alternative fuels used in flexible fueled school buses, and the conversion of school buses to alternative fueled vehicles''.

SEC. 1107. ALTERNATIVE FUEL USE IN NONROAD VEHICLES, ENGINES, AND MARINE VESSELS. Section 412 of the Energy Policy Act of 1992 (42 U.S.C. 13238) is amended—

(1) in the section heading, by striking ''and engines'' and inserting '', engines, and marine vessels'';

(2) by striking ''vehicles and engines'' each place it appears in subsections (a) and (b) and inserting ''vehicles, engines, and marine vessels'';

(3) in subsection (a)—

(A) in the subsection heading, by striking ''NONROAD VEHICLES AND ENGINES'' and inserting ''IN GENERAL'';

(B) in paragraph (1)—

(i) in the first sentence, by striking ''a study'' and inserting ''studies''; and

(ii) in the second sentence—

(I) by striking ''study'' and inserting ''studies''; and

(II) by striking ''2 years'' and inserting ''2, 6, and 10 years'';

(C) in paragraph (2)—

(i) by striking ''study'' each place it appears and inserting ''studies''; and

(ii) in the second sentence, by inserting ''or marine vessels'' after ''such vehicles''; and

(D) in paragraph (3)—

(i) by striking ''report'' and inserting ''reports''; and

(ii) by striking ''may'' and inserting ''shall''; and

(4) in subsection (b)—

(A) in the subsection heading, by striking ''AND ENGINES'' and inserting '', ENGINES, AND MARINE VESSELS''; and

(B) by striking ''rail transportation, vehicles used at airports, vehicles or engines used for marine purposes, and other vehicles or engines'' and inserting ''rail and waterway transportation, vehicles used at airports and seaports, vehicles or engines used for marine purposes, marine vessels, and other vehicles, engines, or marine vessels''.

SEC. 1108. MANDATE FOR ALTERNATIVE FUEL PROVIDERS. Section 501 of the Energy Policy Act of 1992 (42 U.S.C. 13251) is amended—

(1) in subsection (a)(1), by inserting ''or heavy'' after ''new light''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) allow the conversion of an existing fleet vehicle into a dual-fueled alternative fueled vehicle at the time of a major overhaul or rebuild of the vehicle, if the original equipment manufacturer's warranty continues to apply to the vehicle, pursuant to an agreement between the original equipment manufacturer and the person performing the conversion.''.

SEC. 1109. REPLACEMENT FUEL SUPPLY AND DEMAND PROGRAM. Section 502 of the Energy Policy Act of 1992 (42 U.S.C. 13252) is amended—

(1) in the first sentence of subsection (a), by inserting ''and heavy'' after ''in light''; and

(2) in the first sentence of subsection (b), by inserting after ''October 1, 1993,'' the following: ''and every 5 years thereafter through October 1, 2008,''.

SEC. 1110. MODIFICATION OF GOALS; ADDITIONAL RULEMAKING AUTHORITY. Section 504 of the Energy Policy Act of 1992 (42 U.S.C. 13254) is amended—

(1) in the first sentence of subsection (a), by striking ''and periodically thereafter'' and inserting ''consistent with the reporting requirements of section 502(b)''; and

(2) in subsection (c), by inserting after the first sentence the following: ''Any additional regulation issued by the Secretary shall be, to the maximum extent practicable, neutral with respect to the type of fuel and vehicle used.''.

SEC. 1111. FLEET REQUIREMENT PROGRAM. (a) FLEET PROGRAM PURCHASE GOALS.—Section 507(a)(1) of the Energy Policy Act of 1992 (42 U.S.C. 13257(a)(1)) is amended by inserting ''acquired as, or converted into,'' after ''shall be''.

(b) FLEET REQUIREMENT PROGRAM.—Section 507(g) of the Energy Policy Act of 1992 (42 U.S.C. 13257(g)) is amended—

(1) in paragraph (1), by inserting ''acquired as, or converted into,'' after ''shall be'';

(2) by redesignating paragraph (4) as paragraph (5); and

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

''(4) SUBSTITUTIONS.—The Secretary shall, by rule, permit fleets covered under this section to substitute the acquisition or conversion of 1 heavy duty alternative fueled vehicle for 2 light duty vehicle acquisitions to meet the requirements of this subsection.''.

(c) CONVERSIONS.—Section 507(j) of the Energy Policy Act of 1992 (42 U.S.C. 13257(j)) is amended—

(1) by striking ''Nothing in'' and inserting the following:

''(1) IN GENERAL.—Subject to paragraph (2), nothing in''; and

(2) by adding at the end the following:

''(2) CONVERSION INTO ALTERNATIVE FUELED VEHICLES.—

''(A) IN GENERAL.—A fleet owner shall be permitted to convert an existing fleet vehicle into an alternative fueled vehicle, and purchase the alternative fuel for the converted vehicle, for the purpose of compliance with this title or an amendment made by this title, if the original equipment manufacturer's warranty continues to apply to the vehicle, pursuant to an agreement between the original equipment manufacturer and the person performing the conversion.

''(B) CREDITS.—A fleet owner shall be allowed a credit for the conversion of an existing fleet vehicle and the purchase of alternative fuel for the vehicle.''.

(d) MANDATORY STATE FLEET PROGRAMS.—Section 507(o) of the Energy Policy Act of 1992 (42 U.S.C. 13257(o)) is amended—

(1) in paragraph (1)—

(A) by inserting ''or heavy'' after ''new light''; and

(B) by inserting ''or converted'' after ''acquired''; and

(2) in the first sentence of paragraph (2)(A)—

(A) by striking ''this Act'' and inserting ''the Biodiesel Energy Development Act of 1997''; and

(B) by inserting after ''of light'' the following: ''or heavy duty alternative fueled''.

SEC. 1112. CREDITS. (a) IN GENERAL.—Section 508(a) of the Energy Policy Act of 1992 (42 U.S.C. 13258(a)) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) ADDITIONAL ALTERNATIVE FUELED VEHICLES.—The Secretary''; and

(2) by adding at the end the following:

''(2) ALTERNATIVE FUEL.—The Secretary shall allocate a credit to a fleet or covered person that acquires a volume of alternative fuel equal to the estimated need for 1 year for any dual-fueled vehicle acquired or converted by the fleet or covered person as required under this title.''.

(b) ALLOCATION.—Section 508(b) of the Energy Policy Act of 1992 (42 U.S.C. 13258(b)) is amended—

(1) by striking ''In allocating credits under subsection (a),'' and inserting the following:

''(1) ADDITIONAL ALTERNATIVE FUELED VEHICLES.—In allocating credits under subsection (a)(1),''; and

(2) by adding at the end the following:

''(2) DUAL-FUELED VEHICLES; ALTERNATIVE FUEL.—In allocating credits under subsection (a)(2), the Secretary shall allocate 2 credits to a fleet or covered person for acquiring or converting a dual-fueled vehicle and acquiring a volume of alternative fuel equal to the estimated need for 1 year for any dual-fueled vehicle if the dual-fueled vehicle acquired is in excess of the number that the fleet or covered person is required to acquire or is acquired before the date that the fleet or covered person is required to acquire the number under this title.''.

SEC. 1113. SECRETARY'S RECOMMENDATION TO CONGRESS. Section 509(a) of the Energy Policy Act of 1992 (42 U.S.C. 13259(a)) is amended—

(1) in paragraph (1), by inserting before the semicolon at the end the following: ''and exempting replacement fuels from taxes levied on non-replacement fuels''; and

(2) in paragraph (2)—

(A) by inserting ''and converters'' after ''suppliers''; and

(B) by inserting before the semicolon the following: '', including the conversion and warranty of motor vehicles into alternative fueled vehicles''.

This Act may be cited as the ''Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999''.

AMENDMENT 3186

(The corrected text of amendment No. 3186, as agreed to on July 16, 1998, follows:)

AMENDMENT NO. 3186

(Purpose: To allow the USDA Rural Housing Service Administrator to provide non-monetary awards to non-USDA employees)

On page 40, line 20, strike the last period and replace with ''; ''

On page 40, line 20, after the ''; '' insert the following: ''*Provided further*, That the Administrator may expend not more than $10,000 to provide modest non-monetary awards to non-USDA employees.''

SHACKLEFORD BANKS WILD HORSES PROTECTION ACT

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate now proceed to the consideration of Calendar No. 229, H.R. 765.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 765) to ensure maintenance of a herd of wild horses in Cape Lookout National Seashore.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Shackleford Banks Wild Horses Protection Act''.

SEC. 2. MAINTENANCE OF WILD HORSES IN CAPE LOOKOUT NATIONAL SEASHORE.

Section 5 of the Act entitled ''An Act to provide for the establishment of the Cape Lookout National Seashore in the State of North Carolina, and for other purposes'', approved March 10, 1966 (Public Law 89–366; 16 U.S.C. 459g–4), is amended by inserting ''(a)'' after ''Sec. 5.'', and by adding at the end the following new subsection:

''(b)(1) The Secretary, in accordance with this subsection, shall allow a herd of free-roaming horses in Cape Lookout National Seashore (hereinafter referred to as the 'Seashore').

''(2) Within 180 days after enactment of this subsection, the Secretary shall enter into an agreement with the Foundation for Shackleford Horses (a non-profit corporation established under the laws of the State of North Carolina), or another qualified non-profit entity, to provide for management of free-roaming horses in the seashore. The agreement shall—

''(A) provide for cost-effective management of the horses while ensuring that natural resources within the seashore are not adversely impacted; and,

''(B) allow the authorized entity to adopt any of those horses that the Secretary removes from the seashore.

''(3) The Secretary shall not remove, assist in, or permit the removal of any free-roaming horses from Federal lands within the boundaries of the seashore—

''(A) unless the entity with whom the Secretary has entered into the agreement under paragraph (2), following notice and a 90-day response period, fails to meet the terms and conditions of the agreement; or

''(B) unless the number of free-roaming horses on Federal lands within Cape Lookout National Seashore exceeds 110; or

''(C) except in the case of an emergency, or to protect public health and safety.

''(4) The Secretary shall annually monitor, assess, and make available to the public findings regarding the population structure and health of the free-roaming horses in the national seashore.

''(5) Nothing in this subsection shall be construed as creating liability for the United States for any damages caused by the free-roaming horses to property located inside or outside the boundaries of the seashore.''.

AMENDMENT NO. 3214

Mr. DOMENICI. There is an amendment at the desk to the bill. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. MURKOWSKI, proposes an amendment numbered 3214.

The amendment is as follows:

In lieu of the language proposed to be inserted, insert the following:

SEC. 1. MAINTENANCE OF WILD HORSES IN CAPE LOOKOUT NATIONAL SEASHORE.

Section 5 of the Act entitled ''An Act to provide for the establishment of the Cape Lookout National Seashore in the State of North Carolina, and for other purposes'', approved March 10, 1996 (Public Law 89–366; 16 U.S.C. 459g–4), is amended by inserting ''(a)'' after ''SEC. 5.'', and by adding at the end the following new subsection:

''(b)(1) The Secretary, in accordance with this subsection, shall allow a herd of 100 free roaming horses in Cape Lookout National Seashore (hereinafter referred to as the 'seashore'): *Provided*, That nothing in this section shall be construed to preclude the Secretary from implementing or enforcing the provisions of paragraph (3).

''(2) Within 180 days after enactment of this subsection, the Secretary shall enter into an agreement with the Foundation for Shackleford Horses (a nonprofit corporation established under the laws of the State of North Carolina), or another qualified nonprofit entity, to provide for management of free roaming horses in the seashore. The agreement shall—

''(A) provide for cost-effective management of the horses while ensuring that natural resources within the seashore are not adversely impacted; and

''(B) allow the authorized entity to adopt any of those horses that the Secretary removes from the seashore.

''(3) The Secretary shall not remove, assist in, or permit the removal of any free roaming horses from Federal lands within the boundaries of the seashore—

''(A) unless the entity with whom the Secretary has entered into the agreement under paragraph (2), following notice and a 90-day response period, fails to meet the terms and conditions of the agreement; or

''(B) unless the number of free roaming horses on Federal lands within Cape Lookout National Seashore exceeds 110; or

''(C) except in the case of an emergency, or to protect public health and safety.

''(4) The Secretary shall annually monitor, assess, and make available to the public findings regarding the population, structure, and health of the free roaming horses in the national seashore.

''(5) Nothing in this subsection shall be construed to require the Secretary to replace horses or otherwise increase the number of horses within the boundaries of the seashore where the herd numbers fall below 100 as a result of natural causes, including, but not limited to, disease or natural disasters.

''(6) Nothing in this subsection shall be construed as creating liability for the United States for any damages caused by the free roaming horses to property located inside or outside the boundaries of the seashore.''

Mr. DOMENICI. Mr. President, I ask unanimous consent the amendment be agreed to, the committee amendment as amended be agreed to, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, any statements relating to the bill appear at this point in the RECORD.

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

The amendment (No. 3214) was agreed to.

The committee amendment, as amended, was agreed to.

The bill was considered read a third time and passed as follows:

Resolved, That the bill from the House of Representatives (H.R. 765) entitled ''An Act to ensure maintenance of a herd of wild horses in Cape Lookout National Seashore.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. MAINTENANCE OF WILD HORSES IN CAPE LOOKOUT NATIONAL SEASHORE.

Section 5 of the Act entitled ''An Act to provide for the establishment of the Cape Lookout National Seashore in the State of North Carolina, and for other purposes'', approved March 10, 1966 (Public Law 89–366; 16 U.S.C. 459g–4), is amended by inserting ''(a)'' after ''Sec. 5.'', and by adding at the end the following new subsection:

''(b)(1) The Secretary, in accordance with this subsection, shall allow a herd of 100 free roaming horses in Cape Lookout National Seashore (hereinafter referred to as the 'Seashore'): Provided, That nothing in this section shall be construed to preclude the Secretary from implementing or enforcing the provisions of paragraph (3).

''(2) Within 180 days after enactment of this subsection, the Secretary shall enter into an agreement with the Foundation for Shackleford Horses (a nonprofit corporation established under the laws of the State of North Carolina), or another qualified nonprofit entity, to provide for management of free roaming horses in the seashore. The agreement shall—

''(A) provide for cost-effective management of the horses while ensuring that natural resources within the seashore are not adversely impacted; and,

''(B) allow the authorized entity to adopt any of those horses that the Secretary removes from the seashore.

''(3) The Secretary shall not remove, assist in, or permit the removal of any free roaming horses from Federal lands within the boundaries of the seashore—

''(A) unless the entity with whom the Secretary has entered into the agreement under paragraph (2), following notice and a 90-day response period, fails to meet the terms and conditions of the agreement; or

''(B) unless the number of free roaming horses on Federal lands within Cape Lookout National Seashore exceeds 110; or

''(C) except in the case of an emergency, or to protect public health and safety.

''(4) The Secretary shall annually monitor, assess, and make available to the public findings regarding the population, structure, and health of the free roaming horses in the national seashore.

''(5) Nothing in this subsection shall be construed to require the Secretary to replace horses or otherwise increase the number of horses within the boundaries of the seashore where the herd numbers fall below 100 as a result of natural causes, including, but not limited to, disease or natural disasters.

''(6) Nothing in this subsection shall be construed as creating liability for the United States for any damages caused by the free roaming horses to property located inside or outside the boundaries of the seashore.''.

THE CALENDAR

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the following bills: Calendar No. 443, S. 638; Calendar No. 349, S. 1069; Calendar No. 350, S. 1132; Calendar No. 444, S. 1043; Calendar No. 467, S. 1418; Calendar No. 454, S. 1510; Calendar No. 406, S. 1683; Calendar No. 464, S. 1695; Calendar No. 448, S. 1807; Calendar No. 450, H.R. 434; Calendar No. 445, H.R. 1439; Calendar No. 398, H.R. 1460, Calendar No. 446, H.R. 1779; Calendar No. 451, H.R. 2165; Calendar No. 452, H.R. 2217 and Calendar No. 453, H.R. 2841.

Mr. President, I ask unanimous consent that any committee amendments be agreed to; that the bills be read a third time and passed, as amended, if amended; that the motions to reconsider be laid upon the table; that any statements relating to the bills appear at the appropriate place in the RECORD, with the above occurring en bloc.

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

MOUNT ST. HELENS NATIONAL VOLCANIC MONUMENT COMPLETION ACT

The Senate proceeded to consider the bill (S. 638) to provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens National Volcanic Monument mandated by the 1982 Act that established the Monument, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Mount St. Helens National Volcanic Monument Completion Act''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the Act entitled ''An Act to designate the Mount St. Helens National Volcanic Monument in the State of Washington, and for other purposes'', approved August 26, 1982 (96 Stat. 301; 16 U.S.C. 431 note), required the United States to acquire all land and interests in land in the Mount St. Helens National Volcanic Monument;

(2) the Act directed the Secretary of Agriculture to acquire the surface interests and the mineral and geothermal interests by separate exchanges and expressed the sense of Congress that the exchanges be completed by November 24, 1982, and August 26, 1983, respectively; and

(3) the surface interests exchange was consummated timely, but the exchange of all mineral and geothermal interests has not yet been completed a decade and a half after the Act's enactment.

(b) PURPOSE.—The purpose of this Act is to provide for the expeditious completion of the previously mandated Federal acquisition of private mineral and geothermal interests within the Mount St. Helens National Volcanic Monument.

SEC. 3. ACQUISITION OF MINERAL RIGHTS WITHIN THE NATIONAL VOLCANIC MONUMENT.

Section 3 of the Act entitled ''An Act to designate the Mount St. Helens National Volcanic Monument in the State of Washington, and for other purposes'', approved August 26, 1982 (96 Stat. 302; 16 U.S.C. 431 note), is amended—

(1) in subsection (a), by striking ''and except that the Secretary may acquire mineral and geothermal interests only by exchange. It is the

sense of the Congress that in the case of mineral and geothermal interests such exchanges should be completed within one year after the date of enactment of this Act''; and

(2) by adding at the end the following:

''(g) EXPEDITIOUS COMPLETION OF MINERAL AND GEOTHERMAL INTERESTS.—

''(1) DEFINITION OF HOLDER.—In this subsection, the term 'holder' means a company, or its successor, referred to in subsection (c).

''(2) IN GENERAL.—Within the period described in paragraph (7), the Secretary of the Interior shall acquire by exchange the mineral and geothermal interests in the Monument of each holder.

''(3) MONETARY CREDITS.—

''(A) ISSUANCE.—In exchange for the mineral and geothermal interests acquired by the Secretary of the Interior from a holder under paragraph (2), the Secretary of the Interior shall issue to the holder monetary credits that may be exercised by the holder for payment of—

''(i) not more than 50 percent of the bonus or other payments made by successful bidders in any sales of mineral, oil, gas, or geothermal leases under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.); or

''(ii) not more than 50 percent of any royalty, rental, or advance royalty payment made to the United States to maintain any mineral, oil or gas, or geothermal lease issued under the Acts listed in clause (i).

''(B) VALUE OF CREDITS.—The credits issued under subparagraph (A) shall equal the fair market value of all mineral and geothermal interests conveyed in the exchange as determined under paragraph (4).

''(C) ACCEPTANCE OF CREDITS.—The Secretary of the Interior shall accept credits issued under subparagraph (A) in the same manner as cash for the payments described in subparagraph (A). The use and exercise of the credits shall be subject to the laws (including regulations) governing such payments, to the extent the laws are consistent with this subsection.

''(D) TREATMENT OF CREDITS FOR DISTRIBUTION TO STATES.—All amounts in the form of credits accepted by the Secretary of the Interior under subparagraph (C) for the payments described in subparagraph (A) shall be considered to be money received for the purpose of section 35 of the Mineral Leasing Act (30 U.S.C. 191) and section 20 of the Geothermal Steam Act of 1970 (30 U.S.C. 1019).

''(4) VALUATION OF INTERESTS.—

''(A) IN GENERAL.—Not later than 120 days after the date of enactment of this subsection, the mineral and geothermal interests to be conveyed by each holder in the exchanges required by paragraph (2) shall be valued by one of the following methods, as selected by the Secretary of the Interior:

''(i) USE OF APPRAISAL REPORT.—The 1982 value established by the report of the third party appraisal completed on September 11, 1991, shall be adjusted to reflect changes in the consumer price index for all urban consumers published by the Department of Labor as of the date on which the exchange is to be consummated pursuant to paragraph (7), or such other value as shall be mutually agreed to by the Secretary of the Interior and the holders not later than 30 days after the date of enactment of this subsection.

''(ii) NEW APPRAISAL.—

''(I) SELECTION OF APPRAISER.—Not later than 30 days after the date of enactment of this subsection, the Secretary of the Interior and the holders shall mutually agree on the selection of a qualified appraiser to conduct an appraisal of the mineral and geothermal interests.

''(II) NO AGREEMENT ON APPRAISER.—If no appraiser is mutually agreed to under subclause (I), not later than 60 days after the date of enactment of this subsection—

''(aa) the Secretary of the Interior and the holders shall each designate a qualified appraiser; and

''(bb) the two designated appraisers shall select a third qualified appraiser to perform the appraisal with the advice and assistance of the designated appraisers and in accordance with the instructions that were mutually agreed on for the September 11, 1991, third part appraisal.

''(III) DATE OF VALUATION.—The value of the mineral and geothermal interests to be conveyed by each holder shall be calculated as of August 26, 1982, adjusted to reflect changes in the consumer price index for all urban consumers published by the Department of Labor as of the date on which the exchange is to be consummated pursuant to paragraph (7).

''(IV) COSTS.—The Secretary of the Interior shall bear the costs of the process established by this clause.

''(B) TIMELY APPRAISAL REPORT.—The appraisal report resulting from subparagraph (A) shall be presented to the Secretary of the Interior timely to permit the Secretary of the Interior to determine the value of the mineral and geothermal interests to be conveyed by each holder. Not later than the date that is 180 days after the date of enactment of this subsection, the Secretary of the Interior shall notify each holder of the determination.

''(C) FAILURE OF PROCESS.—If the Secretary of the Interior fails to make a determination under subparagraph (B) by the date that is 180 days after the date of enactment of this subsection or if any holder does not agree with the value determined by the Secretary of the Interior under subparagraph (B), one or more of the holders may petition the United States Court of Federal Claims for a determination of the value of the mineral and geothermal interests to be conveyed by the holders in accordance with this subsection. Subject to the right of appeal, a determination by the Court shall be binding for purposes of this subsection on all parties.

''(5) EXCHANGE ACCOUNT.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, not later than 30 days after the completion of each exchange with a holder required by this subsection, the Secretary of the Interior shall establish, with the Minerals Management Service of the Department of the Interior, an exchange account for the holder for monetary credits described in paragraph (3).

''(B) INITIAL BALANCE.—The initial balance of credits in each holder's account shall be equal to the value as determined under paragraph (4) of the mineral and geothermal interests conveyed by the holder in the exchange.

''(C) USE OF CREDITS.—The balance of credits in a holder's account shall be available to the holder or its assigns for the purposes of paragraph (3). The Secretary of the Interior shall adjust the balance of credits in the account to reflect payments made pursuant to paragraph (3).

''(D) TRANSFER OF CREDITS.—

''(i) IN GENERAL.—A holder may transfer or sell any credits in the holder's account to another person.

''(ii) USE OF TRANSFERRED CREDITS.—Credits transferred under clause (i) may be used in accordance with this subsection only by a person that is qualified to bid on, or that holds, a mineral, oil, or gas lease under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.).

''(iii) NOTIFICATION.—A holder shall notify the Secretary of the Interior of any transfer or sale under this subparagraph promptly after the transfer or sale.

''(E) TIME LIMIT ON USE OF CREDITS.—On the date that is 5 years after an account is created under subparagraph (A), the Secretary of the Interior shall terminate the account and any remaining credits in the account shall become unusable.

''(6) TITLE TO INTERESTS.—On the date of the establishment of an exchange account for a holder under paragraph (5)(A), title to any mineral and geothermal interests that are held by the holder and are to be acquired by the Secretary of the Interior under paragraph (2) shall transfer to the United States.

''(7) COMPLETION OF EXCHANGES.—The Secretary of the Interior shall complete the exchanges under paragraph (2) not later than 180 days after the date of enactment of this subsection or as soon as practicable after completion of the process described in paragraph (4)(C).''.

The committee amendment was agreed to.

The bill (S. 638), as amended, was deemed read the third time and passed.

NATIONAL DISCOVERY TRAILS ACT OF 1998

The Senate proceeded to consider the bill (S. 1069) entitled the ''National Discovery Trails Act of 1997, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Discovery Trails Act of 1998''.

SEC. 2. NATIONAL TRAILS SYSTEM ACT AMENDMENTS.

(a)(1) Section 3(a) of the National Trails System Act (16 U.S.C. 1242(a)) is amended by inserting after paragraph (4) the following:

''(5) National discovery trails, established as provided in section 5, which will be extended, continuous, interstate trails so located as to provide for outstanding outdoor recreation and travel and to connect representative examples of America's trails and communities. National discovery trails should provide for the conservation and enjoyment of significant natural, cultural, and historic resources associated with each trail and should be so located as to represent metropolitan, urban, rural, and back country regions of the Nation. Any such trail may be designated on federal lands and, with the consent of the owner thereof, on any non federal lands.''.

(2) FEASIBILITY REQUIREMENTS; COOPERATIVE MANAGEMENT REQUIREMENT.—Section 5(b) of such Act (16 U.S.C. 1244) is amended by adding at the end the following new paragraph:

''(12) For purposes of subsection (b), a trail shall not be considered feasible and desirable for designation as a national discovery trail unless it meets all of the following criteria:

''(A) The trail must link one or more areas within the boundaries of a metropolitan area (as those boundaries are determined under section 134(c) of title 23, United States Code). It should also join with other trails, connecting the National Trails System to significant recreation and resources areas.

''(B) The trail must be supported by at least one competent trailwide nonprofit organization. Each trail should have extensive local and trailwide support by the public, by user groups, and by affected State and local governments.

''(C) The trail must be extended and pass through more than one State. At a minimum, it should be a continuous, walkable route.

''(13) The appropriate Secretary for each national discovery trail shall administer the trail in cooperation with at least one competent trailwide volunteer-based organization. Where the designation of discovery trail is aligned with other units of the National Trails System, or State or local trails, the designation of a discovery trail shall not affect the protections or authorities provided for the other trail or trails, nor shall the designation of a discovery trail diminish the values and significance for which those trails were established.''.

(b) DESIGNATION OF THE AMERICAN DISCOVERY TRAIL AS A NATIONAL DISCOVERY TRAIL.—Section 5(a) of such Act (16 U.S.C. 1244(a)) is amended—

(1) by redesignating the paragraph relating to the California National Historic Trail as paragraph (18);

(2) by redesignating the paragraph relating to the Pony Express National Historic Trail as paragraph (19);

(3) by redesignating the paragraph relating to the Selma to Montgomery National Historic Trail as paragraph (20); and

(4) by adding at the end the following:

''(21) The American Discovery Trail, a trail of approximately 6,000 miles extending from Cape Henlopen State Park in Delaware to Point Reyes National Seashore in California, extending westward through Delaware, Maryland, the District of Columbia, West Virginia, Ohio, and Kentucky, where near Cincinnati it splits into two routes. The Northern Midwest route traverses Ohio, Indiana, Illinois, Iowa, Nebraska, and Colorado, and the Southern Midwest route traverses Indiana, Illinois, Missouri, Kansas, and Colorado. After the two routes rejoin in Denver, Colorado, the route continues through Colorado, Utah, Nevada, and California. The trail is generally described in Volume 2 of the National Park Service feasibility study dated June 1995 which shall be on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, the District of Columbia. The American Discovery Trail shall be administered by the Secretary of the Interior in cooperation with at least one competent trailwide volunteer-based organization and other affected federal land managing agencies, and state and local governments, as appropriate. No lands or interests outside the exterior boundaries of federally administered areas may be acquired by the Federal Government solely for the American Discovery Trail. The provisions of sections 7(e), 7(f), and 7(g) shall not apply to the American Discovery Trail.''.

(c) COMPREHENSIVE NATIONAL DISCOVERY TRAIL PLAN.—Section 5 of such Act (16 U.S.C. 1244) is further amended by adding at the end the following new subsection:

''(g) Within three complete fiscal years after the date of enactment of any law designating a national discovery trail, the administering Federal agency shall, in cooperation with at least one competent trailwide volunteer-based organization, submit a comprehensive plan for the protection, management, development, and use of the federal portions of the trail, and provide technical assistance to states and local units of government and private landowners, as requested, for non-federal portions of the trail, to the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. The responsible Secretary shall ensure that the comprehensive plan for the entire trail does not conflict with existing agency direction and that the volunteer-based organization shall consult with the affected land managing agencies, the Governors of the affected States, affected county and local political jurisdictions, and local organizations maintaining components of the trail. Components of the comprehensive plan include—

''(1) policies and practices to be observed in the administration and management of the trail, including the identification of all significant natural, historical, and cultural resources to be preserved, model agreements necessary for joint trail administration among and between interested parties, and an identified carrying capacity for critical segments of the trail and a plan for their implementation where appropriate;

''(2) general and site-specific trail-related development including costs; and

''(3) the process to be followed by the volunteer-based organization, in cooperation with the appropriate Secretary, to implement the trial marking authorities in section 7(c) conforming to approved trail logo or emblem requirements.''. Nothing in this Act may be construed to impose or permit the imposition of any landowner on the use of any non federal lands without the consent of the owner thereof. Neither the designation of a National Discovery Trail nor any plan relating thereto shall affect or be considered in the granting or denial of a right of way or any conditions relating thereto.''.

SEC. 3. CONFORMING AMENDMENTS.

The National Trails System Act is amended—

(1) in section 2(b) (16 U.S.C. 1241(b)), by striking ''scenic and historic'' and inserting ''scenic, historic, and discovery'';

(2) in the section heading to section 5 (16 U.S.C. 1244), by striking ''AND NATIONAL HISTORIC'' and inserting '', NATIONAL HISTORIC, AND NATIONAL DISCOVERY'';

(3) in section 5(a) (16 U.S.C. 1244(a)), in the matter preceding paragraph (1)—

(A) by striking ''and national historic'' and inserting '', national historic, and national discovery''; and

(B) by striking ''and National Historic'' and inserting '', National Historic, and National Discovery'';

(4) in section 5(b) (16 U.S.C. 1244(b)), in the matter preceding paragraph (1), by striking ''or national historic'' and inserting '', national historic, or national discovery;

(5) in section 5(b)(3) (16 U.S.C. 1244(b)(3)), by striking ''or national historic'' and inserting '', national historic, or national discovery'';

(6) in section 7(a)(2) (16 U.S.C. 1246(a)(2)), by striking ''and national historic'' and inserting '', national historic, and national discovery'';

(7) in section 7(b) (16 U.S.C. 1246(b)), by striking ''or national historic'' each place such term appears and inserting '', national historic, or national discovery'';

(8) in section 7(c) (16 U.S.C. 1246(c))—

(A) by striking ''scenic or national historic'' each place it appears and inserting ''scenic, national historic, or national discovery'';

(B) in the second proviso, by striking ''scenic, or national historic'' and inserting ''scenic, national historic, or national discovery''; and

(C) by striking '', and national historic'' and inserting '', national historic, and national discovery'';

(9) in section 7(d) (16 U.S.C. 1246(d)), by striking ''or national historic'' and inserting ''national historic, or national discovery'';

(10) in section 7(e) (16 U.S.C. 1246(e)), by striking ''or national historic'' each place such term appears and inserting '', national historic, or national discovery'';

(11) in section 7(f)(2) (16 U.S.C. 1246(f)(2)), by striking ''National Scenic or Historic'' and inserting ''national scenic, historic, or discovery trail'';

(12) in section 7(h)(1) (16 U.S.C. 1246(h)(1)), by striking ''or national historic'' and inserting ''national historic, or national discovery''; and

(13) in section 7(i) (16 U.S.C. 1246(i)), by striking ''or national historic'' and inserting ''national historic, or national discovery''.

The committee amendment was agreed to.

The bill (S. 1069), as amended, was deemed read the third time and passed.

BANDELIER NATIONAL MONUMENT ADMINISTRATIVE IMPROVEMENT AND WATERSHED PROTECTION ACT OF 1997

The Senate proceeded to consider the bill (S. 1132) to modify the boundaries of the Bandelier National Monument to include the lands within the headwater of the Upper Alamo Watershed which drain into the Monument and which are not currently within the jurisdiction of a Federal land management agency, to authorize purchase or donation of those lands and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1132

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 ''Bandelier National Monument Administrative Improvement and Watershed Protection Act of 1997''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that:

(1) Bandelier National Monument (hereinafter, the Monument) was established by Presidential proclamation on February 11, 1916, to preserve the archeological resources of a ''vanished people, with as much land as may be necessary for the proper protection thereof. . .'' (No. 1322; 39 Stat. 1746).

(2) At various times since its establishment, the Congress and the President have adjusted the Monument's boundaries and purpose to further preservation of archeological and natural resources within the Monument.

(A) On February 25, 1932, the Otowi Section of the Santa Fe National Forest (some 4,699 acres of land) was transferred to the Monument from the Santa Fe National Forest (Presidential Proclamation No. 1191; 17 Stat. 2503).

(B) In December of 1959, 3,600 acres of Frijoles Mesa were transferred to the National Park Service from the Atomic Energy Committee (hereinafter, AEC) and subsequently added to the Monument on January 9, 1991, because of ''pueblo-type archeological ruins germane to those in the monument'' (Presidential Proclamation No. 3388).

(C) On May 27, 1963, Upper Canyon, 2,882 acres of land previously administered by the AEC, was added to the Monument to preserve ''their unusual scenic character together with geologic and topographic features, the preservation of which would implement the purposes'' of the Monument (Presidential Proclamation No. 3539).

(D) In 1976, concerned about upstream land management activities that could result in flooding and erosion in the Monument, Congress included the headwaters of the Rito de los Frijoles and the Cañada de Cochiti Grant (a total of 7,310 acres) within the Monument's boundaries (Public Law 94–578; 90 Stat. 2732).

(E) In 1976, Congress created the Bandelier Wilderness, a 23,267 acres area that covers over 70 percent of the Monument.

(3) The Monument still has potential threats from flooding, erosion, and water quality deterioration because of the mixed ownership of the upper watersheds, along its western border, particularly in Alamo Canyon.

[(b) PURPOSES.—The purposes of this Act are to**]** *(b) Purpose.—The purpose of this Act is to* modify the boundary of the Monument to allow for acquisition and enhanced protection of the lands within the Monument's upper watershed.

SEC. 3. BOUNDARY MODIFICATION.

Effective on the date of enactment of this Act, the boundaries of the Monument shall be modified to include approximately 935 acres of land comprised of the Elk Meadows

subdivision, the Gardner parcel, the Clark parcel, and the Baca Land & Cattle Co. lands within the Upper Alamo watershed as depicted on the map National Park Service map entitled [''Alamo Headwaters Proposed Additions'' dated 6/97.] *''Proposed Boundary Expansion Map Bandelier National Monument'' dated July, 1997.* Such map shall be on file and available for public inspection in the offices of the Director of the National Park Service, Department of the Interior.

[SEC. 4. TRANSFER AND ACQUISITION OF LANDS.

[Within the boundaries designated by this Act, the Secretary of the Interior is authorized to acquire lands (or interests in lands such as he determines shall adequately protect the Monument from flooding, erosion, and degradation of its drainage waters) by donation, purchase with donated or appropriated funds, exchange, or transfer of lands acquired by other Federal agencies.]

SEC. 4. LAND ACQUISITION.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), the Secretary of the Interior is authorized to acquire lands and interests therein within the boundaries of the area added to the Monument by this Act by donation, purchase with donated or appropriated funds, transfer with another Federal agency, or exchange: Provided, That no lands or interests therein may be acquired except with the consent of the owner thereof.

(b) STATE AND LOCAL LANDS.—Lands or interests therein owned by the State of New Mexico or a political subdivision thereof may only be acquired by donation or exchange.

(c) ACQUISITION OF LESS THAN FEE INTERESTS IN LAND.—The Secretary may acquire less than fee interests in land only if the Secretary determines that such less than fee acquisition will adequately protect the Monument from flooding, erosion, and degradation of its drainage waters.

SEC. 5. ADMINISTRATION.

The Secretary of the Interior, acting through the Director of the National Park Service, shall manage the national Monument, including lands added to the Monument by this Act, in accordance with this Act and the provisions of law generally applicable to units of National Park System, including the Act of [August 25, an Act] *August 25, 1916, an Act* to establish a National Park Service (39 Stat. 535; 16 U.S.C. 1 et seq.), and such specific legislation as heretofore has been enacted regarding the Monument.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be necessary to carry out the purpose of this Act.

The committee amendments were agreed to.

The bill (S. 1132), as amended, was deemed read the third time and passed.

NATIONAL HISTORIC LIGHTHOUSE PRESERVATION ACT OF 1998

The Senate proceeded to consider the bill (S. 1043) to amend the National Historic Preservation Act for purposes of establishing a national historic lighthouse preservation program, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Historic Lighthouse Preservation Act of 1998''.

SEC. 2. PRESERVATION OF HISTORIC LIGHT STATIONS.

Title III of the National Historic Preservation Act (16 U.S.C. 470w–470w–6) is amended by adding at the end the following new section:

''§ 308. Historic lighthouse preservation

''(a) IN GENERAL.—In order to provide a national historic light station program, the Secretary shall—

''(1) collect and disseminate information concerning historic light stations, including historic lighthouses and associated structures;

''(2) foster educational programs relating to the history, practice, and contribution to society of historic light stations;

''(3) sponsor or conduct research and study into the history of light stations;

''(4) maintain a listing of historic light stations; and

''(5) assess the effectiveness of the program established by this section regarding the conveyance of historic light stations.

''(b) CONVEYANCE OF HISTORIC LIGHT STATIONS.—

''(1) Within one year of the date of enactment of this section, the Secretary and the Administrator of General Services (hereinafter Administrator) shall establish a process for identifying, and selecting, an eligible entity to which a historic light station could be conveyed for education, park, recreation, cultural, or historic preservation purposes.

''(2) The Secretary shall review all applicants for the conveyance of a historic light station, when the historic light station has been identified as excess to the needs of the agency with administrative jurisdiction over the historic light station, and forward to the Administrator a single approved application for the conveyance of the historic light station. When selecting an eligible entity, the Secretary may consult with the State Historic Preservation Officer of the state in which the historic light station is located. A priority of consideration shall be afforded public entities that submit applications in which the public entity enters into a partnership with a nonprofit organization whose primary mission is historic light station preservation.

''(3)(A) Except as provided in paragraph (B), the Administrator shall convey, by quit claim deed, without consideration, all right, title, and interest of the United States in and to the historic light station, subject to the conditions set forth in subsection (c). The conveyance of a historic light station under this section shall not be subject to the provisions of 42 U.S.C. 11301 et seq.

''(B)(i) Historic light stations located within the exterior boundaries of a unit of the National Park System or a refuge within the National Wildlife Refuge System shall be conveyed or sold only with the approval of the Secretary.

''(ii) If the Secretary approves the conveyance or sale of a historic light station referenced in this paragraph, such conveyance or sale shall be subject to the conditions set forth in subsection (c) and any other terms or conditions the Secretary considers necessary to protect the resources of the park unit or wildlife refuge.

''(iii) For those historic light stations referenced in this paragraph, the Secretary is encouraged to enter cooperative agreements with appropriate eligible entities, as provided in this Act, to the extent such cooperative agreements are consistent with the Secretary's responsibilities to manage and administer the park unit or wildlife refuge, as appropriate.

''(c) TERMS OF CONVEYANCE.—

''(1) The conveyance of a historic light station shall be made subject to any conditions the Administrator considers necessary to ensure that—

''(A) the lights, antennas, sound signal, electronic navigation equipment, and associated light station equipment located at the historic light station, which are active aids to navigation, shall continue to be operated and maintained by the United States for as long as needed for this purpose;

''(B) the eligible entity to which the historic light station is conveyed under this section shall not interfere or allow interference in any manner with aids to navigation without the express written permission of the head of the agency responsible for maintaining the aids to navigation;

''(C) there is reserved to the United States the right to relocate, replace, or add any aid to navigation located at the historic light station as may be necessary for navigation purposes;

''(D) the eligible entity to which the historic light station is conveyed under this section shall maintain the historic light station in accordance with the National Historic Preservation Act of 1966, 16 U.S.C. 470–470x, the Secretary of the Interior's Standards for the Treatment of Historic Properties, and other applicable laws;

''(E) the eligible entity to which the historic light station is conveyed under this section shall make the historic light station available for education, park, recreation, cultural or historic preservation purposes for the general public at reasonable times and under reasonable conditions; and

''(F) the United States shall have the right, at any time, to enter the historic light station without notice for purposes of maintaining and inspecting aids to navigation and ensuring compliance with paragraph (C), to the extent that it is not possible to provide advance notice.

''(2) The Secretary, the Administrator, and any eligible entity to which a historic light station is conveyed under this section, shall not be required to maintain any active aids to navigation associated with a historic light station.

''(3) In addition to any term or condition established pursuant to this subsection, the conveyance of a historic light station shall include a condition that the historic light station in its existing condition, at the option of the Administrator, revert to the United States if—

''(A) the historic light station or any part of the historic light station ceases to be available for education, park, recreation, cultural, or historic preservation purposes for the general public at reasonable times and under reasonable conditions which shall be set forth in the eligible entity's application;

''(B) the historic light station or any part of the historic light station ceases to be maintained in a manner that ensures its present or future use as an aid to navigation or compliance with the National Historic Preservation Act, 16 U.S.C. 470–470x, the Secretary of the Interior's Standards for the Treatment of Historic Properties, and other applicable laws; or

''(C) at least 30 days before the reversion, the Administrator provides written notice to the owner that the historic light station is needed for national security purposes.

''(d) DESCRIPTION OF PROPERTY.—The Administrator shall prepare the legal description of any historic light station conveyed under this section. The Administrator may retain all right, title, and interest of the United States in and to any historical artifact, including any lens or lantern, that is associated with the historic light station and located at the light station at the time of conveyance. All conditions placed with the deed of title to the historic light station shall be construed as covenants running with the land. No submerged lands shall be conveyed to nonfederal entities.

''(e) RESPONSIBILITIES OF CONVEYEES.—Each eligible entity to which a historic light station is conveyed under this section shall use and maintain the historic light station in accordance with this section, and have such conditions recorded with the deed of title to the historic light station.

''(f) DEFINITIONS.—For purposes of this section:

''(1) HISTORIC LIGHT STATION.—The term 'historic light station' includes the light tower, lighthouse, keepers dwelling, garages, storage sheds, oil house, fog signal building, boat house, barn, pumphouse, tramhouse support structures, piers, walkways, and related real property and improvements associated therewith; provided that the light tower or lighthouse shall be included in or eligible for inclusion in the National Register of Historic Places.

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' shall mean—

''(A) any department or agency of the Federal government; or

''(B) any department or agency of the state in which the historic light station is located, the local government of the community in which the historic light station is located, nonprofit corporation, educational agency, or community development organization that—

''(i) has agreed to comply with the conditions set forth in subsection (c) and to have such conditions recorded with the deed of title to the historic light station;

''(ii) is financially able to maintain the historic light station in accordance with the conditions set forth in subsection (c); and

''(iii) can indemnify the Federal government to cover any loss in connection with the historic light station, or any expenses incurred due to reversion.''.

SEC. 3. SALE OF SURPLUS LIGHT STATIONS.

Title III of the National Historic Preservation Act (16 U.S.C. 470w–470w–6) is amended by adding at the end the following new section:

''§ 309. Historic light station sales

''In the event no applicants are approved for the conveyance of a historic light station pursuant to section 308, the historic light station shall be offered for sale. Terms of such sales shall be developed by the Administrator of General Services. Conveyance documents shall include all necessary covenants to protect the historical integrity of the historic light station and ensure that any active aids to navigation located at the historic light station are operated and maintained by the United States for as long as needed for that purpose. Net sale proceeds shall be transferred to the National Maritime Heritage Grant Program, established by the National Maritime Heritage Act of 1994, Pub. L. 103–451, within the Department of the Interior.''.

SEC. 4. TRANSFER OF HISTORIC LIGHT STATIONS TO FEDERAL AGENCIES.

Title III of the National Historic Preservation Act of 1966, 16 U.S.C. 470–470x, is amended by adding at the end the following new section:

''§ 310. Transfer of historic light stations to Federal agencies

''After the date of enactment of this section, any department or agency of the Federal government, to which a historic light station is conveyed, shall maintain the historic light station in accordance with the National Historic Preservation Act of 1966, 16 U.S.C. 470–470x, the Secretary of the Interior's Standards for the Treatment of Historic Properties, and other applicable laws.''.

SEC. 5. FUNDING.

There are hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary to carry out this Act.

The committee amendment was agreed to.

The bill (S. 1043), as amended, was deemed read the third time and passed.

METHANE HYDRATE RESEARCH AND DEVELOPMENT ACT OF 1998

The Senate proceeded to consider the bill (S. 1418) to promote the research, identification, assessment, exploration, and development of methane hydrate resources, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1418

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 ''Methane Hydrate Research and Development Act of 1997''.

SEC. 2. DEFINITIONS.

In this Act:

(1) CONTRACT.—The term ''contract'' means a procurement contract within the meaning of 6303 of title 31, United States Code.

(2) COOPERATIVE AGREEMENT.—The term ''cooperative agreement'' means a cooperative agreement within the meaning of section 6305 of title 31, United States Code.

(3) GRANT.—The term ''grant'' means a grant agreement within the meaning of section 6304 of title 31, United States Code.

(4) METHANE HYDRATE.—The term ''methane hydrate'' means a methane clathrate that—

(A) is in the form of a methane-water ice-like crystalline material; and

(B) is stable and occurs naturally in deep-ocean and permafrost areas.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(6) SECRETARY OF DEFENSE.—The term ''Secretary of Defense'' means the Secretary of Defense, acting through the Secretary of the Navy.

(7) SECRETARY OF THE INTERIOR.—The term ''Secretary of the Interior'' means the Secretary of the Interior, acting through the Director of the United States Geological Survey.

(8) DIRECTOR.—The term ''Director'' means the Director of the National Science Foundation.

SEC. 3. METHANE HYDRATE RESEARCH AND DEVELOPMENT PROGRAM.

(a) IN GENERAL.—

[(1) COMMENCEMENT OF PROGRAM.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Defense and the Secretary of the Interior, shall commence a program of methane hydrate research and development.

[(2) DESIGNATIONS.—The Secretary, Secretary of Defense, and Secretary of the Interior shall designate individuals to implement this Act.**]**

(1) COMMENCEMENT OF PROGRAM.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Defense, the Secretary of the Interior, and the Director, shall commence a program of methane hydrate research and development.

(2) DESIGNATIONS.—The Secretary, the Secretary of Defense, the Secretary of the Interior, and the Director shall designate individuals to implement this Act.

(3) MEETINGS.—The individuals designated under paragraph (2) shall meet not less frequently than every 120 days to review the progress of the program under paragraph (1) and make recommendations on future activities.

(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—

(1) ASSISTANCE AND COORDINATION.—The Secretary may award grants or contracts to, or enter into cooperative agreements with, universities and industrial enterprises to—

(A) conduct basic and applied research to identify, explore, assess, and develop methane hydrate as a source of energy;

(B) assist in developing technologies required for efficient and environmentally sound development of methane hydrate resources;

(C) undertake research programs to provide safe means of transport and storage of methane produced from methane hydrates;

(D) promote education and training in methane hydrate resources research and resource development;

(E) conduct basic and applied research to assess and mitigate the environmental impacts of hydrate degassing, both natural and that associated with commercial development; and

(F) develop technologies to reduce the risks of drilling through methane hydrates.

(2) CONSULTATION.—The Secretary may establish an advisory panel consisting of experts from industry, academia, and Federal agencies to advise the Secretary on potential applications of methane hydrate and assist in developing recommendations and priorities for the methane hydrate research and development program carried out under this section.

(c) LIMITATIONS.—

(1) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount made available to carry out this section for a fiscal year may be used by the Secretary for expenses associated with the administration of the program *under* subsection (a)(1).

(2) CONSTRUCTION COSTS.—None of the funds made available to carry out this section may be used for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees).

(d) RESPONSIBILITIES OF THE SECRETARY.—In carrying out subsection (b)(1), the Secretary shall—

(1) facilitate and develop partnerships among government, industry, and academia to research, identify, assess, and explore methane hydrate resources;

(2) undertake programs to develop basic information necessary for promoting long-term interest in methane hydrate resources as an energy source;

(3) ensure that the data and information developed through the program are accessible and widely disseminated as needed and appropriate;

(4) promote cooperation among agencies that are developing technologies that may hold promise for methane hydrate resource development; and

(5) report annually to Congress on accomplishments under this Act.

SEC. 4. AMENDMENT TO THE MINING AND MINERALS POLICY ACT OF 1970.

Section 201 of the Mining and Minerals Policy Act of 1970 (30 U.S.C. 1901) is amended—

(1) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively;

(2) by inserting after paragraph (5) the following:

(6) the term 'methane hydrate' means a methane clathrate that—

''(A) is in the form of a methane-water ice-like crystalline material; and

''(B) is stable and occurs naturally in deep-ocean and permafrost areas.''; and

(3) in paragraph (7) (as redesignated by paragraph (1))—

(A) in subparagraph (F), by striking ''and'';

(B) by redesignating subparagraph (G) as subparagraph (H); and

(C) by inserting after subparagraph (F) the following:

''(G) methane hydrate; and''.

SEC. [4.] *5.* AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

The committee amendments were agreed to.

The bill (S. 1418), as amended, was deemed read the third time and passed.

LAND CONVEYANCE, COUNTY OF RIO ARRIBA, NEW MEXICO

The Senate proceeded to consider the bill (S. 1510) to direct the Secretary of the Interior and the Secretary of Agriculture to convey certain lands to the county of Rio Arriba, New Mexico, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

S. 1510

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

SECTION 1. OLD COYOTE ADMINISTRATIVE SITE.

(a) CONVEYANCE OF PROPERTY.—Not later than one year after the date of enactment of this Act, the Secretary of the Interior (herein ''the Secretary'') shall convey to the County of Rio Arriba, New Mexico (herein ''the County''), subject to the terms and conditions stated in subsection (b), all right, title, and interest of the United States in and to the land (including all improvements on the land) known as the ''Old Coyote Administrative Site'' located approximately ½ mile east of the Village of Coyote, New Mexico, on State Road 96, comprising one tract of 130.27 acres (as described in Public Land Order 3730), and one tract of 276.76 acres (as described in Executive Order 4599).

(b) TERMS AND CONDITIONS.—

(1) Consideration for the conveyance described in subsection (a) shall be—

(A) an amount that is consistent with the special pricing program for Governmental entities under the Recreation and Public Purposes Act; and

(B) an agreement between the Secretary and the County indemnifying the Government of the United States from all liability of the Government that arises from the property.

(2) The lands conveyed by this Act shall be used for public purposes. If such lands cease to be used for public purposes, at the option of the United States, such lands will revert to the United States.

(c) LAND WITHDRAWALS.—Land withdrawals under Public Land Order 3730 and Executive Order 4599 as extended in the Federal Register on May 25, 1989 (54 F.R. 22629) shall be revoked simultaneous with the conveyance of the property under subsection (a).

The committee amendment was agreed to.

The bill (S. 1510), as amended, was deemed read the third time and passed.

Mr. DOMENICI. Mr. President, I am very pleased that the Senate has today passed S. 1510, the Rio Arriba, New Mexico Land Conveyance Act of 1998. This legislation will provide long-term benefits for the people of Rio Arriba County, New Mexico.

Seventy percent of Rio Arriba County is in federal ownership. Communities find themselves unable to grow or find available property necessary to provide local services. This legislation allows for transfer by the Secretary of the Interior real property and improvements at an abandoned and surplus administrative site for the Carson National Forest to Rio Arriba County. The site is known as the old Coyote Ranger District Station, near the small town of Coyote, New Mexico.

The Coyote Station will continue to be used for public purposes, including a community center, and a fire substation. Some of the buildings will also be available for the County to use for storage and repair of road maintenance equipment, and other County vehicles.

Mr. President, the Forest Service has determined that this site is of no further use to them, since they have recently completed construction of a new administrative facility for the Coyote Ranger District. The Forest Service reported to the General Services Administration that the improvements on the site were considered surplus, and would be available for disposal under their administrative procedures. At this particular site, however, the land on which the facilities have been built is withdrawn public domain land, under the jurisdiction of the Bureau of Land Management.

I have worked closely with the Forest Service and Bureau of Land Management since introducing this bill in November. The Administration is supportive of the legislation and the changes made to the bill.

Mr. President, since neither the Bureau of Land Management nor the Forest Service have any interest in maintaining Federal ownership of this land and the surplus facilities, and Rio Arriba County desperately needs them, passage of S. 1510 is a win-win situation for the federal government and New Mexico. I look forward to the House's agreement and Presidential signature soon.

LAKE CHELAN NATIONAL RECREATION AREA

The Senate proceeded to consider the bill (S. 1683) to transfer administrative jurisdiction over part of the Lake Chelan National Recreation Area from the Secretary of the Interior to the Secretary of Agriculture for inclusion in the Wenatchee National Forest, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

S. 1683

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

SECTION 1. BOUNDARY ADJUSTMENTS, LAKE CHELAN NATIONAL RECREATION AREA AND WENATCHEE NATIONAL FOREST, WASHINGTON.

(a) BOUNDARY ADJUSTMENTS.—

(1) LAKE CHELAN NATIONAL RECREATION AREA.—The boundary of the Lake Chelan National Recreation Area, established by section 202 of Public Law 90–544 (16 U.S.C. 90a–1), is hereby adjusted to exclude a parcel of land and waters consisting of approximately 88 acres, as depicted on the map entitled ''Proposed Management Units, North Cascades, Washington'', numbered NP–CAS–7002A, originally dated October 1967, and revised July 13, 1994.

(2) WENATCHEE NATIONAL FOREST.—The boundary of the Wenatchee National Forest is hereby adjusted to include the parcel of land and waters described in paragraph (1).

(3) AVAILABILITY OF MAP.—The map referred to in paragraph (1) shall be on file and available for public inspection in the offices of the superintendent of the Lake Chelan National Recreation Area and the Director of the National Park Service, Department of the Interior, and in the office of the Chief of the Forest Service, Department of Agriculture.

(b) TRANSFER OF ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over Federal land and waters in the parcel covered by the boundary adjustments in subsection (a) is transferred from the Secretary of the Interior to the Secretary of Agriculture, and the transferred land and waters shall be managed by the Secretary of Agriculture in accordance with the laws and regulations pertaining to the National Forest System.

(c) LAND AND WATER CONSERVATION FUND.—For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–9), the boundaries of the Wenatchee National Forest, as adjusted by subsection (a), shall be considered to be the boundaries of the Wenatchee National Forest as of January 1, 1965.

The committee amendment was agreed to.

The bill (S. 1683), as amended, was deemed read the third time and passed.

SAND CREEK MASSACRE NATIONAL HISTORIC SITE STUDY ACT OF 1998

The Senate proceeded to consider the bill (S. 1695) to establish the Sand Creek Massacre National Historic Site in the State of Colorado, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Sand Creek Massacre National Historic Site Study Act of 1998''.

SEC. 2. FINDINGS.

(a) FINDINGS.—Congress finds that—

(1) on November 29, 1864, Colonel John M. Chivington led a group of 700 armed soldiers to a peaceful Cheyenne village of more than 100 lodges on the Big Sandy, also known as Sand Creek, located within the Territory of Colorado, and in a running fight that ranged several miles upstream along the Big Sandy, slaughtered several hundred Indians in Chief Black Kettle's village, the majority of whom were women and children;

(2) the incident was quickly recognized as a national disgrace and investigated and condemned by 2 congressional committees and a military commission;

(3) although the United States admitted guilt and reparations were provided for in article VI of the Treaty of Little Arkansas of October 14, 1865 (14 Stat. 703) between the United States and the Cheyenne and Arapaho Tribes of Indians, those treaty obligations remain unfulfilled;

(4) land at or near the site of the Sand Creek Massacre may be available for purchase from a willing seller; and

(5) the site is of great significance to the Cheyenne and Arapaho Indian descendants of those who lost their lives at the incident at Sand Creek and to their tribes, and those descendants and tribes deserve the right of open access to visit the site and rights of cultural and historical observance at the site.

SEC. 3. DEFINITIONS.

In this Act:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior acting through the Director of the National Park Service.

(2) SITE.—The term ''site'' means the Sand Creek massacre site described in section 2.

(3) TRIBES.—The term ''Tribes'' means—

(A) the Cheyenne and Arapaho Tribe of Oklahoma;

(B) the Northern Cheyenne Tribe; and

(C) the Northern Arapaho Tribe.

SEC. 4. STUDY.

(a) IN GENERAL.—Not later than 18 months after the date on which funds are made available for the purpose, the Secretary, in consultation with the Tribes and the State of Colorado, shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a resource study of the site.

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

(1) identify the location and extent of the massacre area and the suitability and feasibility of designating the site as a unit of the National Park System; and

(2) include cost estimates for any necessary acquisition, development, operation and maintenance, and identification of alternatives for the management, administration, and protection of the area.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Amend the title so as to read: ''A bill to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.''.

The committee amendment was agreed to.

The bill (S. 1695), as amended, was deemed read the third time and passed.

HART MOUNTAIN TRANSFER ACT OF 1998

The Senate proceeded to consider the bill (S. 1807) to transfer administrative jurisdiction over certain parcels of public domain land in Lake County, Oregon, to facilitate management of the land, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

S. 1807

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 ''Hart Mountain Transfer Act of 1998''.

SEC. 2. TRANSFERS OF ADMINISTRATIVE JURISDICTION OVER PARCELS OF LAND ADMINISTERED BY THE BUREAU OF LAND MANAGEMENT AND THE UNITED STATES FISH AND WILDLIFE SERVICE.

(a) TRANSFER FROM THE BUREAU OF LAND MANAGEMENT TO THE UNITED STATES FISH AND WILDLIFE SERVICE.—

(1) IN GENERAL.—Administrative jurisdiction over the parcels of land identified for transfer to the United States Fish and Wildlife Service on the map entitled ''Hart Mountain Jurisdictional Transfer'', dated February 26, 1998, comprising approximately 12,100 acres of land in Lake County, Oregon, located adjacent to or within the Hart Mountain National Antelope Refuge, is transferred from the Bureau of Land Management to the United States Fish and Wildlife Service.

(2) INCLUSION IN REFUGE.—The parcels of land described in paragraph (1) shall be included in the Hart Mountain National Antelope Refuge.

(3) WITHDRAWAL.—Subject to valid existing rights, the parcels of land described in paragraph (1)—

(A) are withdrawn from—

(i) surface entry under the public land laws;

(ii) leasing under the mineral leasing laws and Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.); and

(iii) location and entry under the mining laws; and

(B) shall be treated as parcels of land subject to the provisions of Executive Order No. 7523 of December 21, 1936, as amended by Executive Order No. 7895 of May 23, 1938, and Presidential Proclamation No. 2416 of July 25, 1940, that withdrew parcels of land for the Hart Mountain National Antelope Refuge.

(4) MANAGEMENT.—The land described in paragraph (1) shall be included in the Hart Mountain National Antelope Refuge and managed in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), and other applicable law and with management plans and agreements between the Bureau of Land Management and the United States Fish and Wildlife Service for the Hart Mountain Refuge.

(b) CONTINUED MANAGEMENT OF GUANO CREEK WILDERNESS STUDY AREA BY THE BUREAU OF LAND MANAGEMENT.—

(1) IN GENERAL.—The parcels of land identified for cooperative management on the map entitled ''Hart Mountain Jurisdictional Transfer'', dated February 26, 1998, comprising approximately 10,900 acres of land in Lake County, Oregon, located south of the Hart Mountain National Antelope Refuge, shall be retained under the jurisdiction of the Bureau of Land Management.

(2) MANAGEMENT.—The parcels of land described in paragraph (1) that are within the Guano Creek Wilderness Study Area Act shall be managed so as not to impair the suitability of the area for designation as wilderness, in accordance with current and future management plans and agreements (including the agreement known as the ''Shirk Ranch Agreement'' dated September 30, 1997), until such date as Congress enacts a law directing otherwise.

(c) TRANSFER FROM THE UNITED STATES FISH AND WILDLIFE SERVICE TO THE BUREAU OF LAND MANAGEMENT.—

(1) IN GENERAL.—Administrative jurisdiction over the parcels of land identified for transfer to the Bureau of Land Management on the map entitled ''Hart Mountain Jurisdictional Transfer'', dated February 26, 1998, comprising approximately 7,700 acres of land in Lake County, Oregon, located adjacent to or within the Hart Mountain National Antelope Refuge, is transferred from the United States Fish and Wildlife Service to the Bureau of Land Management.

(2) REMOVAL FROM REFUGE.—The parcels of land described in paragraph (1) are removed from the Hart Mountain National Antelope Refuge, and the boundary of the refuge is modified to reflect that removal.

(3) REVOCATION OF WITHDRAWAL.—The provisions of Executive Order No. 7523 of December 21, 1936, as amended by Executive Order No. 7895 of May 23, 1938, and Presidential Proclamation No. 2416 of July 25, 1940, that withdrew the parcels of land for the refuge, shall be of no effect with respect to the parcels of land described in paragraph (1).

(4) STATUS.—The parcels of land described in paragraph (1)—

(A) are designated as public land; and

(B) shall be open to—

(i) surface entry under the public land laws;

(ii) leasing under the mineral leasing laws and the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.); and

(iii) location and entry under the mining laws.

(5) MANAGEMENT.—The land described in paragraph (1) shall be managed in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other applicable law, and the agreement known as the ''Shirk Ranch Agreement'' dated September 30, 1997.

(d) MAP.—A copy of the map described in subsections (a), (b), and (c) and such additional legal descriptions as are applicable shall be kept on file and available for public inspection in the Office of the Regional Director of Region 1 of the United States Fish and Wildlife Service, the local District Office of the Bureau of Land Management, the Committee on Energy and Natural Resources of the Senate, and the Committee on Resources of the House of Representatives.

SEC. 3. KLAMATH MARSH NATIONAL WILDLIFE REFUGE.

Section 28 of the Act of August 13, 1954 (68 Stat. 718, chapter 732; 72 Stat. 818; 25 U.S.C. 564w–1), is amended in subsections (f) and (g) by striking ''Klamath Forest National Wildlife Refuge'' each place it appears and inserting ''Klamath Marsh National Wildlife Refuge''.

The committee amendment was agreed to.

The bill (S. 1807), as amended, was deemed read the third time and passed.

LAND CONVEYANCE, SANTA FE NATIONAL FOREST, NEW MEXICO

The Senate proceeded to consider the bill (H.R. 434) to prove for the conveyance of small parcel of land in the Carson National Forest and the Santa Fe National Forest, New Mexico, to the village of El Rito and the town of Jemiz Springs, New Mexico, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

H.R. 434

SECTION 1. LAND CONVEYANCE, SANTA FE NATIONAL FOREST, NEW MEXICO.

(a) CONVEYANCE OF PROPERTY.—Within 60 days of enactment of this Act, the Secretary of Agriculture (herein ''the Secretary'') shall convey to the town of Jemez Springs, New Mexico, subject to the terms and conditions under subsection (c), all right, title, and interest of the United States in and to a parcel of real property (including any improvements on the land) consisting of approximately one acre located in the Santa Fe National Forest in Sandoval County, New Mexico.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the town of Jemez Springs.

(c) TERMS AND CONDITIONS.—

(1) Notwithstanding exceptions of application under the Recreation and Public Purposes Act (43 U.S.C. 869(c)), consideration for the conveyance described in subsection (a) shall be—

(A) an amount that is consistent with the Bureau of Land Management special pricing program for Governmental entities under the Recreation and Public Purposes Act; and,

(B) an agreement between the Secretary and the town of Jemez Springs indemnifying the Government of the United States from all liability of the Government that arises from the property.

(2) The lands conveyed by this Act shall be used for the purposes of construction and operation of a fire substation. If such lands cease to be used for such purposes, at the option of the United States, such lands will revert to the United States.

The committee amendment was agreed to.

The bill (H.R. 434), as amended, was deemed read the third time and passed.

TAHOE NATIONAL FOREST, CALIFORNIA

The bill (H.R. 1439) to facilitate the sale of certain land in Tahoe National Forest in the State of California to Placer County, California, was considered, ordered to a third reading, read the third time, and passed.

ELECTION OF THE DELEGATE OF GUAM

The bill (H.R. 1460) to allow for election of the Delegate of Guam by other than separate ballot, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

MARK TWAIN NATIONAL FOREST, MISSOURI

The bill (H.R. 1779) to make a minor adjustment in the exterior boundary of the Devils Backbone Wilderness in the Mark Twain National Forest, Missouri, to exclude a small parcel of land containing improvements, was considered, ordered to a third reading, read the third time, and passed.

FEDERAL POWER ACT EXTENSION FOR IOWA

The bill (H.R. 2165) to extend the deadline under the Federal Power Act applicable to the construction of FERC Project Number 3862 in the State of Iowa, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

FEDERAL POWER ACT EXTENSION FOR COLORADO

The bill (H.R. 2217) to extend the deadline under the Federal Power Act applicable to the construction of FERC Project Number 9248 in the State of Colorado, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

HYDROELECTRIC PROJECT EXTENSION

The bill (H.R. 2841) to extend the time required for the construction of a hydroelectric project, was considered, ordered to a third reading, read the third time, and passed.

ORDERS FOR MONDAY, JULY 20, 1998

Mr. DOMENICI. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 1 p.m. on Monday, July 20. I further ask unanimous consent that when the Senate reconvenes on Monday, immediately following the prayer, the routine requests through the morning hour be granted, and the Senate then begin a period for the transaction of morning business until 3 p.m., with Senators permitted to speak for up to 5 minutes each.

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

Mr. DOMENICI. Mr. President, I further ask unanimous consent that notwithstanding rule XXII, Members have until 2 p.m. on Monday to file first-degree amendments to the legislative branch appropriations bill. I further ask unanimous consent that following the debate on the legislative branch bill on Monday, the Senate begin consideration of S. 2260, the Commerce-State-Justice appropriations bill.

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

PROGRAM

Mr. DOMENICI. Mr. President, for the information of all Senators, when the Senate convenes on Monday at 1 p.m., there will be a period for the transaction of morning business until 3 p.m. Following morning business, the Senate will resume consideration of the legislative branch appropriations bill. Following that debate, the Senate will turn to the consideration of S. 2260, the Commerce-State-Justice appropriations bill. The majority leader has announced there will be no rollcall votes during Monday's session. Therefore, any votes ordered with respect to the legislative branch or Commerce-State-Justice bills will be stacked to occur at 9:30 a.m. on Tuesday, July 21.

ORDER FOR ADJOURNMENT

Mr. DOMENICI. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator JEFFORDS from Vermont.

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

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

REPUBLICAN HEALTH CARE BILL

Mr. JEFFORDS. This has been, to me, one of the more important days of this session. I believe that is true because of the introduction earlier by Senator LOTT of the Republican health care bill.

First, I commend the majority leader for the dexterous way in which he handled both allowing the members of a committee, a standing committee, to work, and then to join them with a leadership task force, formed by the majority leader, to put together a bill which could be backed by all Members of the Republican side.

That was no easy task, but I am happy to say that by working together I think we have provided, for the Senate's review, an outstanding piece of legislation. I also want to begin by commending Senator NICKLES and all the Members who participated in putting this legislation together on the task force, and in my committee. I think it is solid legislation that will result in a greatly improved health care system for Americans. I am proud to be a cosponsor of the Patients' Bill of Rights.

As always, there has been a flurry of work over the past few weeks as we have put this legislation together. But this last-minute work is only possible because we laid a sound foundation throughout the entire 105th Congress through many hearings.

In particular, there are members on my committee, who also served on the task force, who I think were key in bringing about a consensus.

First, Senator FRIST, who, obviously, from his valuable expertise as a physician, as well as a masterful legislator, has assisted in helping us provide a bill which we can be proud of and which we can be assured will be in the best interest of all patients as well as the health care system.

Senator COLLINS, who came here after being a State regulator in the health care area, provided tremendous knowledge and insight into how we could weave in and out the very complicated aspects of what should the Federal Government do and what should the States do, with leaving an emphasis primarily on allowing the States—which I will talk about later.

Over the past 14 months, the Labor and Human Resources Committee has held 11 hearings related to issues of health care quality, confidentiality, genetic discrimination, privacy, and HCFA's implementation of its new health insurance responsibilities.

Senator BILL FRIST's Public Health and Safety Subcommittee has also held three hearings on the work of AHCPR. That has to do with trying to ensure that we have adequate information about outcomes and to try to utilize that information to better equip our professional people to be the best in the world in health care. Each of these hearings helped us in developing the separate pieces of legislation that are reflected in the Patients' Bill of Rights.

Other colleagues here and on the House side have worked on this subject for an extended period of time, as well. Many of the protections that are included in the Patients' Bill of Rights are similar to those fashioned by Senator ROTH in the Finance Committee last year when we provided many of these same protections to plans that serve Medicare patients.

As we prepared this legislation, we had three goals in mind: first, give families the protections they want and need; second, ensure that medical decisions are made by physicians in consultation with their patients; and, finally, keep the cost of this legislation low so it does not displace anyone from being able to get health care coverage.

As we all know, the number of people who participate is extremely sensitive

to the cost of health care. Information about products or services is the keystone to any well-functioning market. The bill requires full information disclosure by an employer about the health plans that he or she offers employees. People need to know what the plan will cover and what their out-of-pocket expenses will be. And this should be in clear and obvious language which is readily available for the patient or the prospective purchaser of the insurance to review so they do not suddenly realize they have run out of money as far as the plan is concerned or they find that many aspects are not covered.

They need to know where and how they will get their health care, and who will be providing these services. They also need to know how adverse decisions by the plan can be appealed, both internally and externally, to an independent reviewer. This is an extremely important part of this bill. This aspect of the bill which gives employees a brand new ERISA remedy of an external grievance and appeals process is one of which I am particularly proud since it is the cornerstone of S. 1712, my Health Care QUEST Act, which, incidentally, was a bipartisan bill.

Under our bill, patients will get timely decisions about what will be covered. Further, if an individual disagrees with the plan's decision about coverage, that individual may ultimately appeal the decision to an independent, external reviewer after an internal review decision. And this can be done in an expedited situation, if it is necessary.

The reviewer's decision will be binding on the part of the health plan, and the patients maintain their rights under ERISA to go to court. This is extremely important. This will be binding on the plan. So there will be no appeal by the plan through the courts or elsewhere from the decision by the reviewer.

It is infinitely better to be able to get the care needed than to sue to recover damages because he or she could not get the care they needed, and the fact that that care was not being granted resulted in grievous situations for them.

The medical records provision, which my committee also worked on for the past year, will give people the right to inspect and copy their personal medical information, and it will also allow them to append the record if there is inaccurate information. The bill will ensure that the holders of the information safeguard the medical records and requires them to share, in writing, their confidentiality policies and procedures with individuals. This is part of what was called the PIN Act, the Privacy Act, which also was a bipartisan bill.

I want to again mention the task force. Senator NICKLES started out some months ago desiring to provide the Republicans with a bill with which they could be pleased. A lot of work went into that. Many, many meetings were held. Many hours were spent trying to decide and make final decisions. I was a member of that task force, as was Senator FRIST and Senator COLLINS from our committee.

We had the ability to be able to utilize the expertise of the committee and the professional staff involved with them. I would like to mention Paul Harrington, in particular, and Karen Guice, of my staff, who is also a pediatrician and a fellow, for their incredibly good determinations on what the bill should have and their assistance in putting it together.

I praise Senators SNOWE and DOMENICI, who worked together to give us a portion of the bill which has to do with genetics and the protections that a patient should have, or an enrollee in a plan should have, to ensure that the genetic information—that genetic information—is not used against them to screen them.

What I want to get to now, and I know there will be a lot more discussion next week, is the question of whether or not it is better to hand over much of the regulation to the Federal Government or whether it is better to leave it with the States.

The 104th Congress enacted the Kassebaum-Kennedy legislation known as the Health Insurance Portability and Accountability Act in 1996, fondly referred to as HIPAA. Many consider this legislation to be the most significant Federal health insurance reform of the past decade. During this Congress, I have tried to closely monitor the impact of HIPAA over the past year to ensure its successful implementation consistent with legislative intent.

The Federal regulators at HCFA have faced an overwhelming new set of health insurance duties under HCFA. What we said was that if the States wanted to—and almost all of them did—they could take control and implement the provisions of HIPAA. But five decided not to—California, Massachusetts, Michigan, Rhode Island, and Missouri.

So what happened is that enforcement was handed over to the Federal Government. That is the point I want to make as to what has happened because of that. The Department of Health and Human Resources is now required to act as the insurance regulator for the State HIPAA provisions.

Based on the findings of the GAO report that will be released next week, HCFA is ill equipped to carry out the role of insurance regulator. Building a dual system of overlapping State and Federal health insurance regulation is in no one's best interest, and the principle that States should regulate private health insurance guided the design of our legislation to get out of the problems created by HIPAA.

Our legislation creates new Federal managed care standards to cover those 48 million Americans covered by ERISA plans that the States cannot protect. That is the second point. There are areas that the State is preempted from by ERISA which was passed in 1976. Under ERISA, it stated that those plans for self-insured or those that are multistate situations are under Federal order to provide uniformity in the regulation. We feel it would be irresponsible to set health insurance standards that duplicate their responsibility to the 50 State insurance departments and have HCFA enforce them.

In a July 16 House Ways and Means committee hearing, HCFA's administrator stated she intended to postpone, among other things, prospective payment systems for home health services. To Members who will note this, this is a real blow to many States, Vermont in particular, who are being damaged severely by the present situation with respect to the home health care services and payments.

The balanced budget amendment of 1997 establishes a prospective payment system, or PPS, for home health care in fiscal year 2000. The payment system designed for the interim period is proving to be an intolerable burden for the home health agencies that service Vermont's Medicare beneficiaries. They have already written to urge HCFA to urge a PPS by the October 1999 deadline set by Congress, thus minimizing the time an interim payment system will be in place. Her statement that she has delayed will result in many home health providers not receiving the reimbursement that they deserve. Given HCFA's inability to carry out its current responsibilities, I believe it would be irresponsible to promise the American people that it will be able to guarantee other rights by regulating the private health insurance industry.

I will not offer Americans a promise that experience tells us will be broken, a hope that I believe won't be met. Our proposal, by keeping the regulation of health insurance where it belongs—at the State level—provides the American people with a real Patients' Bill of Rights that they can have the confidence in knowing that they will be there when they need it.

I am afraid that the political battle over this legislation will be the subject that dominates the headlines. But the real issue here is to give Americans the protections they want and need in the package that they can afford and that we can enact, and also that they will have a remedy which will allow them to expeditiously get the care they need by having outside professionals give them that opportunity. That is why I and others have been working on this legislation since the beginning of Congress and why I hope it will be adopted before the end of Congress and signed into law by the President.

This is too important of an issue for us to get bogged down in partisanship. I know the Democrats, and many of them on my committee, too, have worked very hard on their own bills.

But let us not try to find out whose bill is better. Let us join together and make sure we can put together in the final analysis, through the legislative process, a bill which we all can be proud of and which the American people will be pleased with.

ADJOURNMENT UNTIL 1 P.M., MONDAY, JULY 20, 1998

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 1 p.m., Monday, July 20, 1998.

There being no objection, the Senate, at 3:29 p.m., adjourned until Monday, July 20, 1998, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate July 17, 1998:

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

JOHN J. PIKARSKI, JR., OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 17, 1998, VICE GERALD S. MCGOWAN.

JOHN J. PIKARSKI, JR., OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 2001. (REAPPOINTMENT)

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. MONTGOMERY C. MEIGS, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C, SECTION 601:

To be lieutenant general

LT. GEN. WILLIAM M. STEELE, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN COSTELLO, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be admiral

VICE ADM. DENNIS C. BLAIR, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. JOHN W. CRAINE, JR., 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. HERBERT A. BROWNE II, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

ROBERT D. BRANSON, 0000
WILLIAM P. FOSTER, 0000
DIANA G. FRENCH, 0000
LEWIS E. GORMAN III, 0000
CHARLES B. LANIER, 0000
ANTONIO S. LAUGLAUG, 0000
JOHN C. MALONEY, 0000
DOUGLAS A. PETERSON, 0000
WILLIAM B. WALTON, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

DOUGLAS J. MCANENY, 0000
RICHARD A. MOHLER, 0000

ENVIRONMENTAL PROTECTION AGENCY

ROMULO L. DIAZ, JR., OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE JONATHAN Z. CANNON, RESIGNED.

J. CHARLES FOX, OF MARYLAND, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE MARY DELORES NICHOLS.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

PAUL STEVEN MILLER, OF CALIFORNIA, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING JULY 1, 1999, VICE GILBERT F. CASELLAS, RESIGNED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. RONALD E. ADAMS, 0000

IN THE ARMY

The following named officers for appointment to the grade indicated in the United States Army and for Regular appointment (identified by an asterisk(*)) under title 10, U.S.C., sections 624 and 531:

To be lieutenant colonel

MARK A. ACKER, 0000
RICHARD L. ADKISON, 0000
CHARLES J. AFRICANO, 0000
ROBIN B. AKIN, 0000
RAFAEL A. ALCOVER, 0000
BLAIR E. ALEXANDER, 0000
DAVID R. ALEXANDER, 0000
CYRIL R. ALLEN III, 0000
CAMPBELL D. ALLISON, 0000
KENNETH E. ANDERSON, 0000
PAUL T. ANDERSON, 0000
STEVEN P. APLAND, 0000
JOHN R. ARMSTRONG, 0000
LOWELL T. ASHER, 0000
ROBERT P. ASHLEY, JR., 0000
ERIC L. ASHWORTH, 0000
PETER W. AUBREY, 0000
DAVID A. AUSTIN, 0000
JAMES B. BAGBY, 0000
*JEFFREY L. BAILEY, 0000
THOMAS E. BAILEY, 0000
DANIEL. P. BAILIE, 0000
PETER R. BAKER, 0000
THOMAS A. BALISH, 0000
ARTHUR T. BALL, JR., 0000
DOMINIC R. BARAGONA, 0000
WAYLAND P. BARBER III, 0000
MICHAEL P. BARBERO, 0000
MARK J. BARBOSA, 0000
WALTER S. BARGE II, 0000
GORDON L. BARNHILL, 0000
ROGER J. BARROS, 0000
THOMAS H. BARTH, 0000
*DAVID L. BARTLETT, 0000
RAYMOND M. BATEMAN, 0000
TERENCE K. BATTLE, 0000
PETER C. BAYER, JR., 0000
ROBERTA B. BAYNES, 0000
SUSAN R. BEAUSOLEIL, 0000
JOHN F. BECK, 0000
MICHAEL F. BEECH, 0000
RENE D. BELANGER, 0000
HUGH M. BELL III, 0000
ROBERT T. BELL, 0000
DAVID B. BELLOWS, 0000
RODERICK A. BELLOWS, 0000
JEFFERY A. BENTON, 0000
RAYMOND P. BERNHAGEN, 0000
KURT M. BERRY, 0000
THOMAS M. BESCH, 0000
*DAVID P. BESHLIN, 0000
JEFFERY S. BESS, 0000
ALENA M. BETCHLEY, 0000
MARIA T. BEZUBIC, 0000
MARK A. BIEHLER, 0000
ROBERT E. BILLER, 0000
ROBERT B. BILLINGTON, 0000
MICHAEL A. BILLS, 0000
DAVID J. BISHOP, 0000
MICHAEL J. BITTRICK, 0000
PETER E. BLABER, 0000
HARLAN H. BLAKE, 0000
WILLIAM G. BLANCHARD, 0000
RANAY M. BLANFORD, 0000
KENNETH S. BLANKS, 0000
ARIE D. BOGAARD, 0000
PETER V. BOISSON, 0000
BEDE A. BOLIN, 0000
CRAIG L. BOLLENBERG, SR., 0000
KENT R. BOLSTER, 0000
TIMOTHY D. BOND, 0000
DAVID V. BOSLEGO, 0000
STEPHEN T. BOSTON, 0000
THOMAS T. BOWE, 0000
THOMAS S. BOWEN, 0000
MAX A. BOWERS, JR., 0000
MICHAEL W. BOWERS, 0000
LYNN N. BOWLER, 0000
HAROLD C. BOWLIN, JR., 0000
CLAYTON B. BOWMAN, JR., 0000
*RICKY R. BOYER, 0000
BRIAN T. BOYLE, 0000
ROBERT J. BRACKETT, 0000
JERRY L. BRADSHAW, JR., 0000
WILLIAM H. BRADY III, 0000
MATTHEW L. BRAND, 0000
JOHNNY W. BRAY, 0000
DONNA M. BRAZIL, 0000
WILLIAM A. BREFFEILH, 0000
LESLIE M. BREHM, 0000
NORMAN R. BREHM, 0000
JON K. BRIDGES, 0000
KELVIN L. BRIGHT, 0000
JAMES R. BRILEY, 0000
MICHAEL W. BRISKE, 0000
JAMES S. BRISTOW, 0000
GREGORY A. BROCKMAN, 0000
MICHAEL S. BROOKS, 0000
CORNELIUS BROWN, JR., 0000
JOSEPH D. BROWN, 0000
ROBERT W. BROWN, 0000
JEFFREY W. BROWNING, 0000
WANDA K. BRUCE, 0000
TYRONE J. BRUMFIELD, 0000
TORKILD P. BRUNSO, 0000
WILLIAM R. BRYAN, 0000
THOMAS E. BRYANT, 0000
TRACY G. BRYANT, 0000
DREW A. BRYNER, 0000
JOHN C. BUCKLEY, II, 0000
BILLY J. BUCKNER, 0000
RANDY A. BUHIDAR, 0000
RICHARD C. BULLIS, 0000
TONY B. BULLOCK, 0000
*HERBERT L. BURGESS, 0000
DOROTHEA M. BURKE, 0000
DENNIS S. BURKET, 0000
BRIAN J. BURNS, 0000
RICHARD B. BURNS, 0000
ROBERT T. BURNS, 0000
RONALD R. BURNS, 0000
JAMES B. BURTON, 0000
JAMES K. BURTON, 0000
CHARLES C. BUSH, 0000
JOHN C. BUSS, 0000
CAROL L. BUTTS, 0000
FELIX M. CABALLERO, 0000
PAUL T. CALBOS, 0000
GLENN M. CALLIHAN, 0000
FREDERICK O. CAMPBELL, 0000
JAMES A. CAMPBELL, 0000
SCOTT A. CAMPBELL, 0000
CAMPBELL P. CANTELOU, 0000
PATRICK H. CARAWAY, 0000
ROGER E. CAREY, 0000
PATRICK J. CARLEY, 0000
DAMIAN P. CARR, 0000
CAROLYN A. CARROLL, 0000
MAXWELL G. CARROLL, JR., 0000
MICHAEL J. CARROLL, 0000
CALVIN CARTER, 0000
BARBARA CASSIDY, 0000
VICTOR J. CASTRILLO, 0000
JACKIE W. CATES, 0000
SANDRA C. CAUGHLIN, 0000
CHELSEA Y. CHAE, 0000
LUCINDA M. CHAMBERLAIN, 0000
JILL W. CHAMBERS, 0000
ROBERT W. CHAMBERS, JR., 0000
JOHN G. CHAMBLISS, 0000
GREGORY T. CHASTEEN, 0000
JOHN E. CHERE, JR., 0000
ROBERT T. CHESHIRE, 0000
WALTER R. CHESHIRE, 0000
MICHAEL S. CHESNEY, 0000
FRANKLIN F. CHILDRESS, 0000
MARK E. CHILDRESS, 0000
STEPHEN G. CHIMINIELLO, 0000
CLEMENT B. CHOLEK, 0000
JOHN V. CHRISTIAN, 0000
SCOTT G. CILUFFO, 0000
DAVID J. CLARK, 0000
KENNETH H. CLARK, JR., 0000
THOMAS J. CLEARY, III, 0000
LAWRENCE E. CLINE, 0000
JAMES C. CLOSE, 0000
RUSSELL C. CLOY, 0000
GEOFFREY N. CLYMER, 0000
PETER E. CLYMER, 0000
JEFFREY A. COBB, 0000
EDWIN S. COCHRAN, 0000
EUGENE P. CODDINGTON, 0000
THOMAS D. COFFMAN, 0000
JOSEPH B. COLEMAN, 0000
GARY B. COLLIER, 0000
JEFFREY N. COLT, 0000
*ROBERT E. COMER, 0000
MARK E. CONDRY, 0000
GEORGE E. CONKLIN, II, 0000
CINDY L. CONNALLY, 0000
JAMES P. CONNOLLY, 0000
ALFRED CORBIN, 0000
STEPHEN M. CORCORAN, 0000
RONALD E. CORKRAN, JR., 0000
BRENT A. CORNSTUBBLE, 0000
JOSEPH W. CORRIGAN, 0000
MICHAEL A. COSS, 0000
RONALD G. COSTELLA, 0000

ALEXANDER A. COX, 0000
DAVID K. COX, 0000
RODERICK M. COX, 0000
EUGENE F. COYNE, 0000
THOMAS R. CRABTREE, 0000
DONALD M. CRAIG, 0000
SCOTT D. CRAWFORD, 0000
TIMOTHY J. CREAMER, 0000
ROBERT R. CROMBY, 0000
ERNEST G. CRONE, JR., 0000
CYNTHIA A. CROWELL, 0000
FRANKIE CRUZ, 0000
JOHN S. CULLISON, 0000
MICHAEL E. CULPEPPER, 0000
MARYANN B. CUMMINGS, 0000
TIMOTHY J. CUMMINGS, 0000
BRIAN J. CUMMINS, 0000
RUI O. CUNHA, 0000
PAUL F. CUNNINGHAM, 0000
MICHAEL A. CURCI, 0000
JAMES G. CURRIE, JR., 0000
MICHAEL J. CURRY, 0000
PETER J. CURRY, 0000
VIRGIL CURRY, JR., 0000
DANIEL D. CURTNER, 0000
ALONZO C. CUTLER, 0000
CATHERINE M. CUTLER, 0000
MICHAEL R. CZAJA, 0000
DEBRA L. DAGOSTINO, 0000
MARK A. DAGOSTINO, 0000
GERALD B. DANIELS, 0000
ROBERT E. DANIELS, 0000
JOHN J. DAUGIRDA, 0000
ANNE L. DAVIS, 0000
ARCHIE L. DAVIS III, 0000
DAN J. DAVIS, 0000
MARK S. DAVIS, 0000
WINSTON L. DAVIS, JR., 0000
MARK S. DAY, 0000
STUART E. DEAKIN, 0000
RONALD L. DEEDS, 0000
TODD V. DEEHL, 0000
RODERICK G. DEMPS, 0000
BRANDON F. DENECKE, 0000
WAYNE S. DENEFF, 0000
MICHAEL P. DEPUGLIO, 0000
*KURTIS L. DERELL, 0000
MICHAEL S. DESENS, 0000
CHRISTOPHER G. DEVENS, 0000
DOUGLAS A. DEVER, 0000
PARTICK DEVINE, 0000
GLEN R. DEWILLIE, 0000
MICHAEL A. DIETZ, 0000
JOYCE P. DIMARCO, 0000
WILLIAM G. DINNISON, 0000
MICHAEL J. DIXON, 0000
SCOTT F. DONAHUE, 0000
MATTHEW C. DONOHUE, 0000
RICHARD E. DOUGLASS, 0000
KAREN A. DOYLE, 0000
NORBERT S. DOYLE, JR., 0000
TIMOTHY E. DRAKE, 0000
VINCENT M. DREYER, 0000
FLOYD J. DRIVER, 0000
DAVID E. DUNCAN, 0000
SAMUEL M. DUNKLE, 0000
CARL E. DURHAM, 0000
DANNY D. DURHAM, 0000
DONALD P. EADY, 0000
MARK C. EASTON, 0000
JAY J. EBBESON, 0000
JOANN Y. EBERLE, 0000
STEVEN J. EDEN, 0000
JACQUELINE M. EDWARDS, 0000
STEVEN B. EDWARDS, 0000
CHARLES L. EHLERS, 0000
JOHN F. EICHLER, 0000
JUSTIN L. ELDRIDGE, 0000
WILLIAM H. ENICKS IV, 0000
JOSE R. ENRIQUEZ, 0000
HAROLD L. EPPERSON, 0000
CRAIG A. ERICKS, 0000
DOUGLAS J. EVANS, 0000
JASON T. EVANS, 0000
MICHAEL L. EVERETT, 0000
JAMES M. FAGAN, 0000
RICHARD J. FAGAN, 0000
KEVIN G. FAGEDES, 0000
*PAUL J. FAMELI, 0000
JEFFREY H. FARGO, 0000
WAYNE C. FARQUHAR, 0000
THOMAS R. FAUPEL, 0000
RODNEY L. FAUSETT, 0000
BONNIE B. FAUTUA, 0000
SCOTT A. FEDORCHAK, 0000
ROBERT A. FELKEL, 0000
ETZEL O. FERGUSON, 0000
JAMES C. FERGUSON III, 0000
MARK F. FIELDS, 0000
DAVID P. FIELY, 0000
BRENT C. FINEMORE, 0000
JAMES V. FINK, 0000
HENRY L. FINLEY, JR., 0000
WILLIAM J. FINLEY, 0000
CLAUDIA J. FISHER, 0000
ROY L. FISHEL, 0000
STEVEN S. FITZGERALD, 0000
THOMAS I. FITZPATRICK, 0000
CHARLES E. FLETCHER, 0000
DIANNA L. FLETT, 0000
KENNETH FLOWERS, 0000
THOMAS D. FLUKER, 0000
GRADY P. FLYTHE, 0000
RANDALL L, FOFI, 0000
STEPHEN G. FOGARTY, 0000
ROBERT W. FORRESTER, 0000
PAUL N. FORTUNE, 0000
CRAIG A. FOX, 0000
*DAVID G. FOX, 0000
RICHARD M. FRANCEY, JR., 0000
SCOTT A. FRANCIS, 0000
WILLIAM R. FRANCIS, 0000
STEPHEN D. FRAUNFELTER, 0000
TIMOTHY A. FREELON, 0000
LEAH R. FULLERFRIEL, 0000
PAUL E. FUNK, II, 0000
ROY W. FUNKHOUSER, 0000
WILLIE E. GADDIS, 0000
STEPHEN A. GADY, 0000
THOMAS K. GAINEY, 0000
DANIEL J. GALLAGHER, 0000
JOE E. GALLAGHER, 0000
PATRICK J. GARMAN, 0000
HARRY C. GARNER, III, 0000
MICHAEL X. GARRETT, 0000
MICHAEL E. GARRISON, 0000
RALPH H. GAY, III, 0000
CHRISTINE M. GAYAGAS, 0000
LEE D. GAZZANO, 0000
STEVEN D. GEISE, 0000
DENNIS GENUALDI, 0000
BRUCE A. GEORGIA, 0000
EDWARD G. GIBBONS, JR., 0000
RICKY D. GIBBS, 0000
DANIEL B. GIBSON, 0000
DONALD V. GIBSON, 0000
ROBERT D. GIBSON, 0000
WILLIAM C. GIBSON, 0000
GARY D. GIEBEL, 0000
DAVID F. GILBERT, 0000
THOMAS B. GILBERT, 0000
DAVID M. GILL, 0000
RICHARD L. GINGRAS, 0000
SHIRLEY L. GIVENS, 0000
MICHAEL C. GLADBACH, 0000
JERRY A. GLASOW, 0000
JAY L. GLOVER, 0000
BRYAN S. GODA, 0000
TIMOTHY G. GODDETTE, 0000
WILLIAM P. GOETZ, 0000
ORLANDO R. GOODWIN, 0000
TIMOTHY C. GORRELL, 0000
DENISE A. GOUDREAU, 0000
LINDA L. GOULD, 0000
DEAN A. GRABLE, 0000
STEVEN M. GRAHAM, 0000
PETER J. GRANDE, 0000
SAUL A. GRANDINETTI, 0000
MICHAEL O. GRAY, 0000
KEITH D. GREENE, 0000
STEVEN A. GREENE, 0000
THOMAS R. GREGORY, 0000
VINCENT E. GREWATZ, 0000
GARY M. GRIGGS, 0000
EDWARD P. GRZYBOWSKI, JR., 0000
ROBERT S. GUARINO, 0000
JEFFREY J. GUDMENS, 0000
JOHN A. GUIDOTTI, 0000
ROBERT C. GUILLOT, JR. 0000
EDWARD C. GULLY, 0000
CYRUS E. GWYN, JR., 0000
BRICE A. GYURISKO, SR., 0000
DAVID K. HAASENRITTER, 0000
JOHN K. HACKNEY, 0000
JOHN A. HADJIS, 0000
MARK D. HAFER, 0000
BENJAMIN T. HAGAR, 0000
TELEMACHUS C. HALKIAS, 0000
MICHAEL B. HALL, 0000
JOSEF R. HALLATSCHEK, 0000
PHILIP R. HALLENBECK, 0000
JOHN P. HAMMILL, 0000
DONALD R. HAND, 0000
MARK C. HANDLEY, 0000
CHARLES K. HANSON, 0000
CHARLES N. HARDY, II, 0000
MARY D. HARGON, 0000
GLENN W. HARP, 0000
MARSHALL B. HARPER, 0000
KIM R. HARRELL, 0000
GALE A. HARRINGTON, 0000
GRALYN D. HARRIS, 0000
SMITH K. HARRIS, 0000
KENNETH R. HARRISON, 0000
STUART G. HARRISON, 0000
CASEY P. HASKINS, 0000
STEVE C. HAWLEY, 0000
KAREN R. HAYES, 0000
DONALD A. HAZELWOOD, 0000
DEBBRA A. HEAD, 0000
JAMES F. HEALY, 0000
DAMIAN J. HEANEY, 0000
WILLIAM H. HEDGES, 0000
WILLIAM R. HEFLIN, 0000
LANNIE HENDERSON, 0000
ROBERT S. HENDERSON, JR., 0000
JOHN K. HENDRICK, 0000
THOMAS E. HENION, 0000
BRIAN G. HENNESSY, 0000
THOMAS M. HENRY, 0000
JOHN D. HENSHAW, JR., 0000
JAMES P. HERSON, JR., 0000
LARRY D. HETHCOX, 0000
STEVE W. HIGH, 0000
JOHN M. HILL, 0000
JAMES E. HILLEARY, 0000
CRAIG W. HILLIKER, 0000
HAMPTON E. HITE, 0000
JOHN S. HODGES, 0000
RAYMOND C. HODGKINS, 0000
JAMES P. HOGLE, 0000
CLIFTON J. HOLDEN, 0000
GEORGE M. HOLLAWAY, 0000
LARRY D. HOLLINGSWORTH, 0000
VICTOR HOLMAN, 0000
RICHARD B. HOOK, 0000
RUSSELL W. HORTON, 0000
STEVEN B. HORTON, 0000
DWAYNE A. HOUSTON, 0000
BART HOWARD, 0000
RICHARD A. HOWARD, 0000
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STEPHEN A. INGALLS, 0000
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JAMES H. STRICKLAND, JR., 0000
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BRIAN S. VEIT, 0000
LAWRENCE J. VERBIEST, 0000
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JIMMY E. WOODRUFF, 0000
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CHARLES M. YOMANT, 0000
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ROGER D. YONTS, 0000
CAROL R. YOUNG, 0000
KITTY M. YOUNG, 0000
ALBERT M. ZACCOR, 0000
JAMES J. ZANOLI, 0000
DANIEL S. ZUPAN, 0000
KEITH J. ZURLO, 0000

EXTENSIONS OF REMARKS

SAVE THE CHATTAHOOCHEE

HON. NEWT GINGRICH
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. GINGRICH. Mr. Speaker, I would like to commend to the attention of my colleagues the following testimony before the Committee on Resources Subcommittee on National Parks and Public Lands on the modification of the Chattahoochee National Recreation Area boundaries. I urge all my colleagues to read this testimony and take advantage of this opportunity to save the Chattahoochee so that its beauty and resources might be enjoyed by future generations.

TESTIMONY OF HON. NEWT GINGRICH BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS AND PUBLIC LANDS, COMMITTEE ON RESOURCES, JULY 16, 1998

Mr. Chairman, Members of the Committee, I come before you today to save a river that is not only near and dear to my heart, but is the life blood of my district and most of the State of Georgia. The river I speak of is the Chattahoochee River. From its source in the North Georgia Mountains until it joins the Flint River on its way to the Gulf of Mexico, citizens along its path drink its water, use it for recreational purposes, and enjoy its beauty. With this legislation, today we have a chance to ensure that its gifts, including most importantly the gift of safe, life-sustaining drinking water, are protected and preserved for our children and grandchildren.

H.R. 4141 will modify the boundaries of the Chattahoochee River National Recreation Area to protect and preserve the endangered Chattahoochee River and provide additional recreation opportunities for citizens. Yet one of the most important aspects of this legislation is the way that this will be done, as the support and funding will come not just from federal sources, but from a partnership of federal, state, local, and private entities.

The Chattahoochee River, ranked as one of the ten most endangered rivers in the country, provides the drinking water for the Atlanta metropolitan area and almost half of the population of Georgia. The Chattahoochee is the smallest river basin to serve as the major water supply for a metropolitan area in the United States, which makes the challenge and the impact of growth and development even greater. Runoff from construction and the overdevelopment of areas surrounding the forty-eight mile stretch of the river north of the city have resulted in pollution, silt, and sediment build-ups.

This bill authorizes the creation of a greenway buffer between the river and private development to prevent further pollution from continued development, provide flood and erosion control, and maintain water quality for safe drinking water and for the abundant fish and wildlife dependent on the river system. Protecting this valuable resource is vital to the future of the State of Georgia. I personally consider it to be one of the most important things that I can help accomplish in my public career.

The massive influx of people—more than 400,000 since 1990—into the Atlanta metropolitan area has not only impacted water quality issues, but has also dramatically increased the need for expanded recreational areas. The Chattahoochee River is currently one of the most visited recreation areas in the country. Given the rate of growth in this area, increased acreage is essential in order to relieve stress on the current recreation area and to dramatically improve the quality of life for hundreds of thousands of Americans.

I have had the opportunity to see firsthand the excitement of schoolchildren engaged in testing the Chattahoochee water as part of their science studies, the coming together of diverse groups of young people helping with river clean-up, and the joy of children from near-by apartments who have discovered, on the banks of the Chattahoochee, a place to run and play. The Chattahoochee is for so many of Georgia's children more than just a river and more than a source of drinking water—it is an outdoor classroom, a community melting pot and, for those whose parents don't yet own a house, the only backyard they know.

This greenway project will serve as a model for future conservation efforts, as we continue to work toward our vision of a partnership with the people of America, as opposed to a centralized bureaucracy. Public and private cost sharing will ensure local involvement in the expansion of the park boundary. This is a truly historic agreement—federal appropriations provided in this proposal will be matched by funding from private foundations, the State of Georgia, local governments, corporate entities, private individuals, and other sources. In fact, the federal effort will be immediately matched by a private foundation. All other funding sources, such as the $15 million which Georgia's Governor Zell Miller and the state legislature have committed, will reduce the federal share of the project. The cost to the federal government will be less than half of the estimated cost of the effort and will almost certainly be much less.

I have with me today letters, from a wide range of Georgians in support of expanding the boundaries of the Chattahoochee National Recreation Area, which I will submit for the record. These letters are from mayors of local cities, country commissioners, the Lt. Governor's office, and Governor Zell Miller. These letters illustrate that in addition to the funding aspects, there is a more important partnership—one of political subdivisions, private entities, and neighbors coming together with the common goal of saving our river.

Finally, I would like to comment on the balance between property owners and the U.S. Park Service. This legislation ensures private property rights are protected by only allowing lands to be acquired with the consent of the property owner. At the same time it gives the Park Service flexibility by allowing a temporary interim map to be used until a comprehensive map can be drawn. In addition, the Park Service will have a 2000 foot corridor on each side of the river to enable the acquisition of larger properties when necessary for achieving our conservation goals. This legislation will ensure a working partnership between the Park Service and private property owners as we create a greenway along the river.

I am very pleased to testify on behalf of a proposal that will promote private/public partnerships in protecting vital natural resources and in increasing recreational opportunities for citizens. Expanding the Chattahoochee National Recreation Area will ensures that future generations will have clean water to drink and will be able to enjoy the beauty of this nationally significant resource.

In closing, I'd like to share a quote from ''The Riverkeeper's Guide to the Chattahoochee,'' a book written by Fred Brown and Sherri M.L. Smith with the support of my good friend Sally Bethea: ''Only God can make a river. And He's not making any more.''

We have the power to help save one of His greatest rivers and to do it in a way which is not a Washington-based solution but which involves a partnership with the people of America. I hope that each of you will join me in this endeavor.

Thank you for your time and consideration of this legislation. I look forward to working with the members of the committee on this important project. At this time I would be glad to take any questions.

STATE OF GEORGIA,
OFFICE OF THE GOVERNOR,
Atlanta, GA, July 9, 1998.

Hon. BOB LIVINGSTON,
Chairman, Committee on Appropriations, Washington, DC.

DEAR CHAIRMAN: The Appropriation Committees in the House of Representatives and the Senate have completed action on their respective Interior Appropriations bill. I wish to respond to the initial actions of each committee by acknowledging some important realities about three of the line items within the Land and Water Conservation Fund section of the bills.

Each of the acquisitions represent major conservation actions in protecting significant sites previously recognized by Congress. And the inclusion of funding for two of these projects complements funding actions that I, as Governor, have initiated. The State of Georgia is willing to dedicate funds to land acquisition which will serve over the long run to reduce the need for federal spending. It is important for the Federal Government to work closely with the State of Georgia to achieve common goals, while sharing the costs.

The three line items which are important to the State of Georgia are the Savannah National Wildlife Refuge, the Chattahoochee River National Recreation Area, and the Cumberland Island National Seashore. I wish to address each of them individually.

A very important item for the State of Georgia is the Chattahoochee River National Recreation Area. In the most recent state budget approved by the Georgia General Assembly, $20 million was appropriated for the RiverCare 2000 Program dedicated to protecting and preserving river front property for public use. I have reserved $15 million of that amount to be directed to land acquisition along the Chattahoochee River corridor shared with the National Recreation Area. This approach is consistent with legislation (HR 4141) introduced by Speaker Gingrich which expands the boundaries and the acreage to be acquired as part of the National Recreation Area. One major component of

this authorization legislation is that land acquisition move forward with a sharing of responsibility among the Department of Interior, the State of Georgia and its political subdivisions, and private foundations and corporations.

The House Interior Appropriation bill, which is unnumbered at this time, contains $15 million for acquisition which recognizes current discussions to move quickly to protect a resource disappearing to urbanization and development. While the State is ready to act, other local, private and public interests are also prepared to make financial commitments. The $15 million federal appropriation would be in recognition of these local initiatives and a fitting response to this aggressive partnership being formed (The Senate version does not include funds for the Chattahoochee River National Recreation Area.)

A second item is a recurring one, the Cumberland Island National Seashore. I believe very strongly in proceeding to fulfill the original intent of the National Seashore enabling legislation. In order to achieve this goal, the National Park Service should complete acquisition on Cumberland Island to realize the preservation of this unique and important resource. To delay further is to allow private rights to gain at the sacrifice of a public good. The President has requested $4.1 million, while neither the House nor the Senate has included funds for this item. This money should be restored at conference committee, or sooner, if the opportunity exists. No purpose is to be gained by further dragging out the acquisition process on Cumberland Island.

The last item is the Savannah National Wildlife Refuge for which the President requested $1 million. The Senate bill, S. 2237, responded by allocating $500,000. An environmental assessment by the Fish and Wildlife Service recommends expanding the 25,000-acre refuge with an additional 14,800 acres to protect additional habitat for migratory species and to reverse further declines in waterfowl populations. The State is also exploring the Savannah River where there is a need to acquire areas as part of its RiverCare Program. This is another example of state and federal governments working together to dedicate their scarce fiscal resources to protect fragile wetlands and uplands important to the local ecology. At this time, the Fish and Wildlife Service is prepared to spend the full amount requested by the President, and the need to move quickly where willing sellers are available is important.

I wish to remind you not only of the importance of these projects to the State of Georgia including the investment of federal dollars to protect major environmental resources, but also for the unprecedented intergovernmental cooperation and allocation of financial resources. As Governor, I pledge to use state dollars to work with federal dollars, and not to have federal dollars replace state dollars.

With kindest regards, I remain

Sincerely,

ZELL MILLER.

OFFICE OF LIEUTENANT GOVERNOR,
Atlanta, GA, July 14, 1998.

Hon. BOB LIVINGSTON,
Chairman, Committee on Appropriations, Washington, DC.

DEAR MR. CHAIRMAN: Action has now been completed by the Appropriations Committees in the House of Representatives and the Senate on The Interior Appropriations bill. I wish to respond to their action regarding three line items within The Land and Water Conservation Fund Sections of the bill, which are of great importance and significance to the State of Georgia.

The first line item is the Chattahoochee River National Recreation Area. As you know, the Chattahoochee River supplies drinking water to several million Georgians, and yet it is considered to be one of the most endangered rivers in America as a result of encroaching development and pollution. No one understands the need to protect the Chattahoochee River better than Speaker Newt Gingrich, who has authored HR 4141 which will permit the expansion of the existing National Recreation Area. It is our shared vision to protect more of the river corridor. The current Georgia budget includes $15 million dedicated to land acquisition along the Chattahoochee River. The private sector is also willing to support the acquisition of more land. It is imperative, however, that we have the $15 million included in the House Interior Appropriation bill in order to carry out the intent of Speaker Gingrich's HR 4141. While the Senate version does not include funds for the Chattahooche River National Recreation Area, it is our hope that the conference committee report will recognize the historic opportunity we have to launch a public-private partnership to save the Chattahooche.

The second item is The Cumberland Island National Seashore. I believe very strongly in proceeding to fulfill the original intent of the National Seashore enabling legislation. Thus, it is of critical importance that the National Park Service complete the acquisition of the Greyfield tract on Cumberland Island to protect it from development and to protect the immense investment which the taxpayers have made in Cumberland Island. The President has requested $4.1 million for the purchase of the next installment of the Greyfield tract sale. While neither the House nor Senate has included funds for this item, I strongly believe that the funds should be restored at conference.

Finally, the President has requested $1 million for the Savannah National Wildlife Refuge in South Carolina just across from Savannah. The Senate bill (SB2237) allocated $500,000. The Fish and Wildlife Service recommends expanding the current 25,000 acre refuge with an addition of 14,800 acres to protect additional habitat for migratory species, both game and non-game. It would be appreciated if the full amount requested could be appropriated so that we can respond to willing sellers and acquire the additional land.

Mr. Chairman, there can be no better use of tax dollars than the preservation of our natural heritage. President Theodore Roosevelt recognized that fact when he saved the Grand Canyon and established Yellowstone. Each of these items is important not just to Georgia but to the entire country. Hundreds of thousands of visitors to Atlanta drink water from the Chattahoochee River; thousands of people from almost every state visit Cumberland Island; and the ducks, geese and shorebirds that visit the Savannah National Wildlife Refuge belong to all Americans. We ask for your support of these important projects.

Sincerely,

PIERRE HOWARD.

GWINNETT COUNTY
BOARD OF COMMISSIONERS,
June 4, 1998.

Re: Chattahoochee River National Park Boundary Change

Hon. JIM HANSEN
Chairmam, Subcommittee on National Parks and Public Lands, Washington, DC.

DEAR CONGRESSMAN HANSEN: The City of Duluth has previously expressed its support for land acquisition funding for the National Park Service to purchase lands along the Chattahoochee River. The City is very interested in protecting the river corridor and making additional open space and greenways available for public use. The City has worked to obtain conservation easements for waling trails an greenways along the river corridor to help link existing National Park Property.

It has become evident that many critical parcels along the river corridor are not included in the boundaries previously designed for the National Park Service on future land acquisition. There is an urgent need for legislation to modify the National Park Boundaries by deleting some parcels which have already been developed and include these critical parcels still available for the protection of the river and efficient use of existing National Park property.

The City strongly supports legislation that would adjust the designated National Park Boundaries identified for future land acquisition to include those critical parcels necessary to link existing National Park Properties as well as protect the river from further intense development. The City applauds your efforts in supporting funding for National Park Service land acquisition along this vital river water resource and asks that you also support some adjustments in the designated boundaries of the National Park so that key vacant parcels can be included.

Thank you for your efforts and involvement with our national resources. If we can assist in any way, please let us know.

Sincerely,

F. WAYNE HILL,
Chairman.

BOARD OF COMMISSIONERS OF
FULTON COUNTY,
Atlanta, GA, June 16, 1998.

Hon. NEWT GINGRICH,
2428 Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN NEWT GINGRICH: As an elected representative of North Fulton county, I urge your support for legislation that would allow adjustment of the National Park boundaries identified for future land acquisition in order to link existing National Park properties. This legislation would allow for protection of the Chattahoochee River by including critical parcels that are still available to be included in the Park boundaries, as well as deleting those parcels that are already developed.

Fulton County is currently working with the City of Roswell to develop a Linear Park along the Chattahoochee in north Fulton. Your support of the Federal Greenways project would enhance our efforts and help to preserve this valuable resource that provides drinking water to the citizens of Fulton County as well as the City of Atlanta.

Your support of the Federal Greenways Project is greatly appreciated. Please contact me if I can be of any assistance.

Respectfully,

BOB FULTON,
District Three,
Fulton County Board of Commissioners.

CITY OF ROSWELL,
Roswell, GA, May 21, 1998.

Re Greenways Project.

Hon. JIM HANSEN,
Chairman, Subcommittee on National Parks and Public Lands, Washington, DC.

DEAR MR. CHAIRMAN: Roswell, the sixth largest city in the state of Georgia, strongly supports the Federal Greenways Project.

Roswell is presently acquiring five miles of land along the Chattahoochee River, in north metropolitan Atlanta area, for a linear park. This park would connect the

Goldbranch, Vickery Creek and Allen Shoals units of the Chattahoochee National Park. This park will be operated in cooperation with Fulton County and the Chattahoochee Nature Center, and the Chattahoochee River National Recreation Area. The State of Georgia, The Trust for Public Lands and the City of Roswell are already committed to raising a portion of the property purchase price. We hope that the Federal Government will also contribute toward acquisition funds for the parkland.

Once established, this new park would become one of the most heavily used parks within the Atlanta Metropolitan area. It would serve as an excellent example of Federal, State, County and Municipal cooperation in park development. We hope that the Federal Greenways Project will be adopted, so that the Federal Government may participate in this park. Your support of this project will be greatly appreciated.

Sincerely,

JERE WOOD,
Mayor.

CITY OF DULUTH,
Duluth, GA, May 26, 1998.

Re Chattahoochee River National Park Boundary Change.

Hon. NEWT GINGRICH,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN GINGRICH: The City of Duluth has previously expressed its support for land acquisition funding for the National Park Service to purchase lands along the Chattahoochee River. The City is very interested in protecting the river corridor and making additional open space and greenways available for public use. The City has worked to obtain conservation easements for walking trails and greenways along the river corridor to help link existing National Park Property.

It has become evident that many critical parcels along the river corridor are not included in the boundaries previously designated for the National Park Service on future land acquisition. There is an urgent need for legislation to modify the National Park Boundaries by deleting some parcels which have already been developed and include those critical parcels still available for the protection of the river and efficient use of existing National Park property.

The City strongly supports legislation that would adjust the designated National Park Boundaries identified for future land acquisition to include those critical parcels necessary to link existing National Park Properties as well as protect the river from further intense development. The City applauds your efforts in supporting funding for National Park Service land acquisition along this vital river water resource and asks that you also support some adjustments in the designated boundaries of the National Park so that key vacant parcels can be included.

Thank you for your efforts and involvement with our national resources. If we can assist in any way please let us know.

Sincerely,

SHIRLEY FANNING-LASSETER,
Mayor.

CITY OF DULUTH,
Duluth, GA, April 8, 1998.

Re Chattahoochee River Greenway.

Hon. RALPH REGULA,
Chairman, House Interior Committee,
Washington, DC.

DEAR CONGRESSMAN REGULA: The City of Duluth would like to thank you for your efforts in securing funding for the National Park Service for lands along the Chattahoochee River. House Speaker Newt Gingrich has informed us of the tremendous work you have been doing to see that the National Park Service obtains funds to protect the Chattahoochee River from excessive development through Park Service land acquisition. In our November correspondence to you the City had mentioned that a greenway plan to link two existing National Park properties together was underway. Please find enclosed a copy of this proposed walkway. We currently have approximately 50% of this provided through easements.

We hope that the next trip you make by helicopter over this area that you will see some results which come from local government and federal government working together on a project. If we can ever be of service please don't hesitate to call on us.

Sincerely,

SHIRLEY FANNING-LASSETER,
Mayor.

CITY OF ATLANTA,
Atlanta, GA, June 24, 1998.

Hon. JOHN LEWIS,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN LEWIS: I am writing to encourage your support for a $25 million appropriation ($15 million FY '99 and $10 million in the supplemental budget for FY '99) from the Land and Water Conservation Fund which is now before the House Appropriations Committee. These funds will allow for the protection of land along the banks of the Chattahoochee in an attempt to sustain the drinking water supply for the City of Atlanta and its neighbors. The initiative to protect land along the Chattahoochee River is a bipartisan effort which was developed out of Governor Miller's RiverCare 2000 program. The City of Atlanta has partnered with the Trust for Public Land to negotiate donations and acquisitions along the Chattahoochee River in an effort to protect a natural greenway within City limits. By working in cooperation with our neighbors upstream, we hope to sustain this river for future generations.

Over half of all Georgians drink from the Chattahoochee River every day and this funding would help insure the quality of our drinking water for generations to come. I encourage you to actively support this $25 million appropriation once it comes up for a vote by the House Appropriations Committee.

Thank you for your continued care for the environment and the work you do for the people of Atlanta.

Sincerely,

BILL CAMPBELL.

HONORING ROY A. HAUBERT

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. PACKARD. Mr. Speaker, I would like to take a moment to acknowledge a very special and exceptional man, Mr. Roy A. Haubert.

In this day and age when family values are on the decline, it is comforting to know that there are people like Roy Haubert, who are passing a legacy of service, loyalty, and love on to their family. Mr. Haubert is a proud father of four children, all of whom he helped put through college.

As a fellow Navy veteran, I hold Roy Haubert in the highest regard. He serves as a shining example through his commitment to his beliefs and his country. At the young age of 17 he left his home to protect freedom and to serve his fellow Americans. He served our country in World War II on a Destroyer off the East Coast of the United States and in the South Pacific. He received two purple hearts for his service, and after WW II, Mr. Haubert enlisted in the U.S. Air Force. Through his additional time in the service, Roy Haubert received training at the Massachusetts Institute for Technology in electronics and missile technology.

Mr. Haubert utilized his training and worked in the aerospace industry in California after leaving the service, where his interest in technology grew. He then worked on projects such as the Atlas missile program and the F–111 fighter bomber.

Roy Haubert has devoted his life to service, loyalty and family values. His sacrifice and accomplishments are admirable and worthy of recognition.

Mr. Speaker, I would like to say thank you to Roy Haubert and acknowledge his contribution to his family, his community and to our nation. May his example continue to shine on in the hearts and minds of those privileged enough to have known him.

TRIBUTE TO THE EIGHTH GREAT DOMINICAN PARADE AND CARNIVAL OF THE BRONX

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. SERRANO. Mr. Speaker, once again it is an honor for me to recognize the Great Dominican Parade and Festival of the Bronx on its eighth year of celebrating Dominican culture in my South Bronx Congressional District.

Under its Founder and President, Felipe Febles, the parade has grown in size and splendor. It now brings together an increasing number of participants from all five New York City boroughs and beyond.

On Sunday, July 19, thousands of members and friends of the Dominican community will march from Mt. Eden and 172nd Street to East 161st Street and the Grand Concourse in honor of Juan Pablo Duarte, the father of the independence of the Dominican Republic.

As one who has participated in the parade in the past, I can attest that the excitement it generates brings the entire City together. It is a celebration and an affirmation of life. It feels wonderful to enable so many people to have this experience—one that will change the lives of many of them. It is an honor for me to join once again the hundreds of joyful people who will march from Mt. Eden and 172nd Street to East 161st Street, and to savor the variety of their celebrations. There's no better way to see our Bronx community.

The event will feature a wide variety of entertainment for all age groups. This year's festival includes the performance of Merengue and Salsa bands, crafts exhibitions, and food typical of the Dominican Republic.

In addition to the parade, President Febles and many organizers have provided the community with nearly two weeks of activities to commemorate the contributions of the Dominican community, its culture and history.

Mr. Speaker, it is with enthusiasm that I ask my colleagues to join me in paying tribute to this wonderful celebration of Dominican culture, which has brought much pride to the Bronx community.

PERSONAL EXPLANATION

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. BATEMAN. Mr. Speaker, due to continued convalescence from a recent surgery, I missed 2 votes on June 4, 1998. I wish to ask unanimous consent to include in the RECORD my statement as to how I would have voted had I been present.

On rollcall vote No. 204, I would have voted ''aye.''

On rollcall vote No. 205, I would have voted ''aye.''

THE HEAD START ACT OF 1998

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. RIGGS. Mr. Speaker, today I am introducing a bill to extend the Head Start program. This legislation strengthens the quality and accountability of Head Start while supporting those receiving Temporary Assistance to Needy Families, the goals of welfare reform, collaborations at the local, State, and national levels, and Head Start staff. For the first time ever, Head Start will be judged on its outcomes for children and families.

The Education and the Workforce Subcommittee on Early Childhood, Youth, and Families that I chair has heard testimony in four hearings from respected academicians, researchers, educators, parents, and practitioners. These witnesses and the many experts with whom committee staff spoke consistently called for an increased focus on outcomes and for higher Head Start staff qualifications. Great care has been taken to craft a bill that addresses these issues by emphasizing quality, accountability, flexibility and collaboration.

We have proposed a simple and effective update of the formula allotting Head Start funds to states: 1998 would become the ''hold harmless'' year for funding. Future expansion and quality appropriations would be allotted based solely on child poverty statistics, thus avoiding possible negative impacts on States successful in moving recipients of Temporary Assistance to Needy Families into jobs. No State would lose Head Start funding under this proposal.

We have redefined the primary purpose of Head Start in this bill to be school readiness. The bill adds new education performance standards and measures that strengthen the cognitive development of children, and requires that the majority of Head Start teachers must have at least an associate degree in early childhood education by the end of the reauthorization period in 2003.

To support the need for increased teacher training and greater attention to school readiness, emphasis has been shifted for a limited period of time from expansion to quality. This will give programs an opportunity to address teacher salaries and program quality. Teachers are specifically targeted in the bill for needed salary increases based upon their education and credentials.

The professional development of teachers and other Head Start staff is enhanced under this legislation by explicitly allowing the use of funds for training in language, literacy, English acquisition, and child disabilities, and by the provision of special collaboration grants that encourage Head Start participation in State, regional, and local early childhood professional development systems.

These special collaboration grants also can be used for similar collaborative efforts to develop more full-day, full-year child care/Head Start services. Similarly, waivers of income eligibility rules would be allowed through joint agreement of the Governor, the State Head Start Association, and the Secretary of Health and Human Services. Up to 25 percent of a program's enrollment could be ''over income,'' but families could not exceed 140 percent of the poverty level. In cases where Child Care Development Block Grant or other child care funds are blended to offer combined Head Start/child care services, copayments by Head Start parents would be explicitly allowed to meet the requirements of the cofunding agency.

Funding priority for any increased appropriations is given by this bill to expansion of full-day, full-year services to meet the child care needs of working poor. Additionally, Early Head Start funding would grow to 10 percent of Head Start funding by the year 2003 to serve more children in the critical years before age three.

To help prepare Head Start children for success in kindergarten, a new section in the bill defines in greater detail transition activities and goals. The needs of Head Start parents are addressed with start-up funding for up to 100 family literacy demonstrations. Training and technical assistance will be available to all Head Start family literacy programs. The best of these programs would be designated as mentor programs; they would assist other agencies with the implementation and improvement of family literacy. Progress towards quality also would be achieved by allowing for-profit entities to participate with public and non-profit entities in any open grant competitions for Head Start funding.

Accountability is the other key issue emphasized in this bill. As mentioned earlier, school readiness has been reestablished as the goal of Head Start, and new transition goals and educational performance standards and measures will be implemented. Head Start agencies are also required to ensure that parents receiving Temporary Assistance to Needy Families who are enrolled in the program meet paternity requirements. Other single Head Start parents shall receive information about resources for establishing paternity. In addition, the bill directs that local performance measures be established for child and family outcomes at the individual grantee level by January 1, 1999.

The biggest accountability question is whether Head Start truly makes a difference for children and families; a large-scale impact study has never been conducted. For this reason, a national study on the impact of Head Start services is commissioned in this bill to provide the kind of information that policy makers so sorely need.

Head Start is a program that benefits America's most vulnerable children. It is our solemn duty as policy and law makers to ensure that these at-risk children and their families receive the quality developmental and educational services that they need to be successful in school and become productive members of society. I urge all of my colleagues on a bipartisan basis to support this measure.

CONGRATULATIONS TO THE WOMEN IN SKILLED TRADES PROGRAM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. STARK. Mr. Speaker, I would like to take this opportunity to recognize the Women In Skilled Trades (WIST) program, which is based in Oakland, California, on the occasion of its 10th Anniversary. Since its inception, this outstanding program has trained over 300 women for well-paying jobs in the construction industry.

WIST was established in 1988 by the Oakland Private Industry Council in order to provide economically disadvantaged women, displaced homemakers, and dislocated workers with high quality pre-apprenticeship training. The program offers an excellent solution for women seeking to achieve economic self-sufficiency and to serve as role models for their children. The pool of well-trained, motivated workers that graduate from the program is a benefit both to area employers as well to our community.

The WIST program is a nationally acclaimed model for nontraditional training programs, with a comprehensive training curriculum and dedicated instructors and staff. It is also an outstanding example of how a partnership of public, private, and non-profit entities can work together to affect positive change in the lives of women and their families.

On Monday, July 20, 1998, the Women in Skilled Trades program will be celebrating its anniversary in Oakland, California. I hope my colleagues will join me in recognizing the achievements of this organization. I would also like to commend the many women who have graduated from the WIST program. I look forward to ten more years of progress!

RECOGNIZING RUSSELL PATTERSON

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today to recognize Mr. Russell Patterson, a major contributor to the arts community in Missouri and a friend of mine who is retiring after 40 years as founder and Artistic Leader of the Lyric Opera of Kansas City. He also organized The Kansas City Symphony and has served as its Artistic Director.

In addition to his position with the Lyric Opera of Kansas City, Russell is Festival Director and Principal Conductor at the Sunflower Music Festival. He founded both the Sunflower Music Festival and the Missouri River Festival of the Arts, and serves as Artistic Director of the Buzzards Bay Musicfest. He has appeared as guest conductor in opera and concert engagements in Mexico City, London, New York, Seattle, Cincinnati, and Sacramento.

Mr. Patterson has spent his career enriching Kansas City with his talent and vision. He is a graduate of the Conservatory of Music at the University of Missouri-Kansas City. He helped establish the Middle-America Opera Apprentice Program in conjunction with the Conservatory. The Apprentice Program is designed to prepare exceptional young singers for a professional operatic career. The Program continues to gain national recognition for its commitment to aspiring artists.

As a trailblazer in the arts community, Mr. Patterson has served on the Advisory panels for the National Endowment for the Arts and the Missouri Arts Council, as a consultant to the Ford Foundation, and on the Board of Directors of OPERA America. He has received numerous awards and honors including the Alumni Achievement Award, the Dean's Award, the nationally prestigious Conductor's Award from the Alice M. Ditson Fund of Columbia University, and the W.F. Yates Medallion from William Jewell College. In 1996, Mr. Patterson was honored at the OPERA America 25th Anniversary Conference for his years of service.

Mr. Speaker, please join me in congratulating Russell Patterson for his commitment to our community's future artists and his service to music in Kansas City. I wish he and his lovely wife Terri well in all of their future endeavors, and hope we can enjoy some tennis at the Cape.

INTRODUCTION OF A BILL TO AMEND THE D.C. CONVENTION CENTER AND SPORTS ARENA AUTHORIZATION ACT OF 1995

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Ms. NORTON. Mr. Speaker, today, I introduce a bill to amend the D.C. Convention Center and Sports Arena Authorization Act of 1995 in order to enable the Washington Convention Center Authority (Authority) to finance revenue bonds for the cost of constructing a new convention center in downtown D.C. This legislation moves forward the hope and promise of the 1995 legislation for a sports arena and a convention center, twin centerpieces of economic development and jobs in the city and revitalization of downtown in the District. The quick and efficient construction of the MCI Center and the new jobs and revenue the arena has brought to D.C. residents have encouraged the city to complete its work on a convention center, where the need has long been conceded.

In every other city in the United States, this matter would not come before any but the local city council. Unfortunately, unlike every other city, the District does not have legislative and budget autonomy and therefore cannot spend its own funds unless authorized by Congress.

Extensive hearings in the City Council have been held on the underlying issues, with an informed and vigorous debate by members of the City Council. On June 16, the City Council approved legislation to finance the new convention center, and on July 7, the City Council passed a bond inducement resolution to approve the Authority's proposal for the issuance of dedicated tax revenue bonds to finance construction of the convention center. On July 13, the D.C. Financial Responsibility and Management Assistance Authority (Control Board) gave its final approval to the financing plan for the project, leaving only congressional authorization, which is necessary for the District to proceed to the bond market.

On July 15, the Subcommittee on the District of Columbia heard testimony from Mayor Marion Barry, City Council Chair Linda Cropp, City Council Member Charlene Drew Jarvis, Control Board Chair Andrew Brimmer, Authority President Terry Golden, and representatives of the General Accounting Office (GAO) and the General Services Administration (GSA) on the financial aspects of the project. After hearing this testimony, I am satisfied that the Authority is ready to proceed with the issuance of bonds to secure financing, allowing the Authority to begin to break ground possibly as early as September. Considering the many years delay and the millions in lost revenue to the District, ground breaking cannot come too soon.

Although the GAO testified that the cost of constructing the new convention center would be $708 million, $58 million more than the $650 million estimate, the $58 million is not attributable to the cost of the center but to certain costs that should be borne by entities other than the Authority. For example, vendors who will operate in the facility are anticipated to contribute $17.7 million in equipment costs; the District government will provide $10 million for utility relocation from expected Department of Housing and Urban Development grants; and the President has requested $25 million in his budget to expand the Mount Vernon Square Metro station.

The GSA testified that the agency had worked closely with the Authority to keep the costs of the project down. With the GSA's assistance, the Authority secured a contract with a construction manager for a ''Guaranteed Maximum Price,'' whereby the private contractor is given incentives to keep costs down and assumes the risk for any cost overruns.

Mayor Marion Barry testified, among other things, regarding the promise of additional jobs for District residents. He said that the new convention center would create nearly 1,000 new construction jobs, and that once the facility is completed, it would generate nearly 10,000 jobs in the hospitality and tourism industries. He testified that, using some of the approaches that were successful with the MCI Center, special training, and goals for jobs for D.C. residents would be met.

The District of Columbia Subcommittee hearing was not a reprise of the lengthy D.C. City Council hearings, and, on home rule grounds, did not attempt to repeat issues of local concern. However, since the issues of financing and bonding before the Congress implicate other areas, the Subcommittee asked extensive questions and received testimony concerning many issues, including location, size, and job creation, in addition to the strictly financial issues.

This convention center has an unusual financial base, which I believe other cities might do well to emulate. The financing arises from a proposal by the hotel and restaurant industry for taxes on their own industry that would not have been available to the city for any other purposes. The proposal was made at a time when the city's need for revenue and jobs has been especially pressing. For many years, the District had been unable to attract large conventions. Not only has the District lost billions as a result; the local hotel and restaurant industry has suffered from the absence of a large convention center. It is estimated that the inadequacy of the current facility led to the loss of $300 million in revenue from lost conventions in 1997 alone. My legislation will enable the District to compete for its market share in the convention industry for the first time in many years.

The delay in building an adequate convention center has been very costly to the District. In a town dominated by tax exempt property, especially government buildings, a convention center is one of the few projects that can bring significant revenues. To that end, the District intends to break ground this September. I ask for expeditious passage of this bill.

HONORING THE TOWN OF HOLLAND, MA, ON THE DEDICATION OF ITS NEW TOWNHALL AND THE CELEBRATION OF ITS 215TH ANNIVERSARY

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. NEAL of Massachusetts. Mr. Speaker, I rise to recognize and honor the town of Holland, Massachusetts on the dedication of its new Town Hall and the celebration of its 215th anniversary.

In 1730, the Town of Holland was settled by Joseph Blodgett, whose descendants still live in the town today. The Town was named after Lord Holland, an English statesman who lobbied for independence for the American colonies. The town was incorporated on July 5, 1783, and is rich with history.

Holland is located in the southeast corner of Hampden County in Western Massachusetts. The town is four square miles in area. It contains the Quinnebaug River and the Hamilton Reservoir, one of the largest reservoirs in southern New England. It is nestled amongst two hill ranges, where elevations reach up to 1,100 feet.

Throughout the years, Holland has remained an example of the charm and beauty of the traditional New England village. At different times, it has sustained industries such as farming, the manufacturing of cloth, and brick making. To this day, Holland is known most for its recreational opportunities. There are extensive recreational facilities at the Hamilton Reservoir, which is stocked with trout each year by the state of Massachusetts. There is also a park and a swimming area at the very picturesque Lake Siog. This small town remains as alive and healthy today as it was 215 years ago.

Unfortunately, the 200-year old town hall was destroyed in a horrendous fire in December of 1995. The new Town Hall, which was dedicated on July 11, 1998, stands as a testament to the courage and character of the 2,300 residents of this wonderful town. I want to acknowledge this town and its residents as they celebrate their new Town Hall as well as their 215th anniversary.

TRIBUTE TO MR. PAT PATTON

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. RODRIGUEZ. Mr. Speaker, I rise to pay tribute to a gentleman who has endeared himself to the cause of equality and justice in Northern Ireland and distinguished himself as a community leader in Texas. Pat Patton has served in many capacities, both professionally and as a volunteer, for his community. As the Executive Director of the Ancient Order of the Hibernians, he worked diligently and effectively at seeking recognition of inequalities in Northern Ireland.

Before assuming that position, Mr. Patton played an instrumental role in the Irish community throughout Texas. He produced and hosted a weekly radio show in Houston called ''Irish Aires.'' In 1991, I had the privilege of working with Mr. Patton as he spearheaded the lobbying effort to pass the MacBride Principles in the Texas Legislature. His tireless efforts over a period of two legislative sessions ultimately succeeded. To this day, this law dictates principles of fairness and equality within companies in Northern Ireland in which the State of Texas owns shares. For these and other efforts, Mr. Patton, on July 21, will be honored at the National Convention of the Ancient Order of the Hibernians in Pittsburgh, PA.

By profession, Mr. Patton is a social worker, having completed his undergraduate degree from St. Mary's University in San Antonio, which is my alma mater. As a social worker myself, I am aware of the sacrifices and patience required in this profession. After receiving his Masters of Social Work (MSW) from Tulane University in New Orleans, he provided counseling for the US Air Force. He continued his services at Catholic Charities in Los Angeles where he served as a therapist and family marriage counselor. Later, he moved back to Texas where he continued serving those less fortunate as Vice President of Houston Lighthouse for the Blind.

I ask my colleagues to join me in recognizing the selfless devotion of Mr. Patton to his community and his country. We owe him, his wife Mary, and their family, our debt of gratitude.

THE SMALL BUSINESS EMPLOYEE RETIREMENT PROTECTION ACT OF 1998

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. GEJDENSON. Mr. Speaker, I rise today to introduce the Small Business Employee Retirement Protection Act of 1998. This legislation will bring security to millions of small business employees in Connecticut and throughout the nation.

Mr. Speaker, I wrote this legislation in part because of a problem in my district. Late last year, we in eastern Connecticut learned just how vulnerable pension plans are. The employees of Emergi-Lite, a small manufacturing business in Westbrook, Connecticut, were informed that their plan was basically bankrupt. An unscrupulous, unqualified manager embezzled about $2 million—nearly all the assets in the plan. The employees had no idea their life savings were being squandered. They had no information about the total value of the plan or how the total value of the plan or how the assets were being invested. They were left in the dark and almost robbed blind.

The bill I introduce today will reduce the chances that what happened at Emergi-Lite will happen again. This legislation requires pensions to be managed by qualified professionals, such as a bank or mutual fund company. Moreover, it requires plan managers to provide beneficiaries with information about total asset value and how funds are invested. Passage of this bill be ensure that people working for small businesses will know where their hand-earned dollars are going. They deserve nothing less.

If enacted into law, the Small Business Employee Retirement Protection Act will ensure that this sort of tragic loss of retirement savings does not happen again by requiring that pension assets beheld in a bank or other qualified financial institution. In addition, the bill would give employees the right to find out the status of their plan's assets and would require that plans inform participants of that right.

I am happy to introduce this legislation with my five colleagues from Connecticut: Ms. DELAURO, who also represents many of the affected employees, Mrs. KENNELLY, Mrs. JOHNSON, Mr. SHAYS, and Mr. MALONEY. All of us were disturbed about what happened in Westbrook. This is an example of how our delegation works together to support commonsense legislation that will really make a difference for people across our region.

TRIBUTE TO CHARLES EDWIN SKIDMORE—''CHAMPION FOR WEST VIRGINIA'S VETERANS''

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. RAHALL. Mr. Speaker, I rise today to express my deepest condolences to the family of Charles Edwin Skidmore of Hinton, West Virginia, who died on May 31, 1998 after a long battle with cancer.

I also rise in tribute to Charles Skidmore and his lifelong commitment to disabled Veterans.

Charles was the Commander of the Disabled Veterans in Hinton, West Virginia at his death, but had previously served two terms as State Commander of the West Virginia Disabled American Veterans, and was still active as a volunteer at the Beckley, West Virginia Veterans Hospital up until his death.

Even though Charles was very ill during the last year of his life, he still fulfilled all his commitments.

Charles Skidmore was vice president of the Southern West Virginia Veterans Museum, and served on the committee for the Restwood Veterans Memorial where he was instrumental in its design and completion.

A lifelong member of the American Legion Post #29 in Elkins, and a life member and local commander of the DAV in Hinton, Charles was also deeply involved in ''Respect the Flag'' program with local area schools.

A retired Postal worker for the Beckley Post Office, Mr. Skidmore was also a former railway clerk in Hinton, West Virginia where he was born and where he lived all of his life.

Charles Skidmore is survived by his wife Rosalyn, three sons and three daughters, 16 grandchildren and six great-grandchildren. I am confident that his wife, and his sons and daughters will carry on his commitments to local Veterans programs and to his community in the years to come.

Charles Skidmore will be sorely missed by Veterans at the Beckley VA Hospital, where they could count on his presence, where they could tell him of their problems and get his advice on how to solve them. Veterans in the Beckley-Hilton area knew they could always count on him to actively fight for their right to adequate and appropriate health care services at the local, State and National levels.

I last saw Charles at a dinner in May, shortly before he died, where we spoke briefly concerning veterans affairs, and where he introduced me to his wife, his daughter Sharon and his grandchildren. He was a proud husband, father and grandfather, who set a shining example of compassion and caring, trustworthiness, honesty and good citizenship for them and for his community.

Mr. Skidmore was buried with full military honors in the Restwood Memorial Gardens in Hinton, a place he helped design, build and dedicate as a fitting burial site for other Veterans.

CUTS IN SUMMER YOUTH EMPLOYMENT FUNDING

HON. HAROLD E. FORD, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. FORD. Mr. Speaker, Each of the last two years, Mr. Speaker, I have witnessed over 5,000 young people in my district stand in line for the chance to apply for a summer job. And unfortunately, each year, at least 3,000 of these young people have been turned away because of a lack of resources—despite $2.8 million of federal funding per/year and local government and private sector support.

So instead of waking-up each morning for eight weeks out of the summer and being exposed to the rigors, habits, and rewards of work, thousands of young people in my district—mostly 15, 16, and 17 years olds—have had little more to do than hang-out on the streets looking for ways to keep themselves entertained and occupied.

So I rise today, Mr. Speaker, on behalf of the thousands of young people in my district and countless others across America, to express my deep concern and frustration over the decision last week by the Labor/HHS Appropriations Subcommittee to report-out a bill that will, among other things, eliminate $871

million in federal funding for summer youth employment programs.

How, I ask, do my colleagues on the other side of the aisle expect our young people to develop an appreciation of the value and importance of education and work, if all they see is Congress appropriating money to build more prison cells, but not to air condition schools or provide summer jobs?

Mr. Speaker, when, and if, anyone has an answer to my question, I, along with the thousands of young people in my district, would love to hear it.

A TRIBUTE TO THE BARBER FAMILY ON THE BARBER FAMILY REUNION AND THE IMPORTANCE OF STRONG AMERICAN FAMILIES

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. RAMSTAD. Mr. Speaker, today I rise to salute a strong American family from throughout our great nation which will be holding an especially loud and joyous reunion in Minneapolis from July 30th to August 2nd.

The Barber Family will be celebrating the ''Power of Family.'' Nothing could be more right on target. I want to wish the Barber Family, and Barber Family Reunion State Chairperson Marion Barber, the very best for a most successful family gathering.

Mr. Speaker, I salute all American families for the miracles they perform every day. Together, America's families are what our nation is all about: The freedom to love, the freedom to work, the freedom from crime and hatred, the freedom to pursue our dreams.

If you want to gauge the value of family in America today, you should show up at the Barber Family Reunion, which has chosen as its reunion theme ''Linking the Past, Present and the Future.''

Mr. Speaker, as Congress considers actions in its day-to-day routine, I urge every member to keep families like the Barbers in mind.

As Marion Barber wrote in a letter to me, ''Family and family ties are the most important elements that make up the core and fabric of the true American family. What the family does and the values it practices have a great impact on our society. Families need to stay together, pray together and help each other.''

Mr. Speaker, it's families like the Barbers—staying together, looking out for each other, helping each other—that provide our great nation with its real strength. Our families know how to overcome challenges and difficulties—and survive and flourish.

The Barber Family's history is the story of our nation. Jim Barber, a slave, more than a century and a half ago, was brought down from Virginia to Georgia and sold to John Reynolds. There, he met Elizabeth Reynolds, another slave. They married and had seven children.

And in a few days, the descendants of Jim and Elizabeth Barber will be celebrating their blessings and their love for each other in Minneapolis. Their struggles have not divided them, just as our great nation's struggles have not divided America.

Mr. Speaker, the Barber Family represents the American Dream and today I wish all the members of the Barber Family the very best. I thank them for doing their part to make America the greatest country on earth.

STATEMENT REGARDING NORTHERN IRELAND

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. KENNEDY of Rhode Island. Mr. Speaker, I am sure that all Members of this House and Americans everywhere who long to see Northern Ireland enter a period of peace, social justice and economic reconstruction have viewed with great dismay events these past few days in Northern Ireland. What is particularly troublesome and in some ways painfully symbolic of the conflicts that continue to plague the people on that troubled piece of earth, was the murder over the weekend of three innocent young Catholic boys, Richard–11, Mark–10 and Jason Quinn–9, who were burned to death early Sunday morning by a fire bomb reportedly thrown by practitioners of the worst kind of religious bigotry and hatred.

Hopefully the tragic deaths of these three innocent boys will mark a watershed in the long and sad history of Northern Ireland's religious strife and men and women of good will who are committed to peace and reconciliation throughout Northern Ireland will work together to reinforce the fragile peace process underway in Northern Ireland. Those efforts should receive the strong endorsement and support from those of us in the United States who share that objective.

Mr. Speaker, a growing number of my constituents are taking a closer look and a keener interest in events in Northern Ireland and this process is assisted by such statements as the enclosed editorial Trying to Get Beyond the Boyne published in the July 12 Providence Sunday Journal which I request to be inserted in the RECORD at this point. In my view, this editorial contains thoughtful observations on a very difficult and complex situation and makes the significant point that Northern Ireland must move past the anachronisms of the past and into a more enlightened and reasoned future if the peace process is to survive and prosper and I am confident that it can and will.

I agree, too, with the editorial's observation that the President should move swiftly to name a successor to the recently departed Ambassador Jean Kennedy Smith and that my good friend Paul Quinn, who is well experienced in Irish-American affairs makes an excellent candidate for this assignment. Mr. Quinn enjoys wide-spread bi-partisan support from my colleagues in the Congress and from governmental, political and community business leaders throughout Ireland and those in the United States who share our commitment to a more peaceful and prosperous day on the island of Ireland. He has made substantial contributions to relations between the United States and the Republic of Ireland and the North for more than 35 years and I know he will continue to do so for many years to come whatever the President's decision is regarding the next Ambassador.

TRYING TO GET BEYOND BOYNE

William Trevor's After Rain is the tale of a boy—son and grandson of proud Unionists in an Ulster village—who brings calumny upon himself by refusing to march. We are given to understand that the boy may be prey to a religious hallucination of some sort, that he must pay for his intransigence with his life, that his brother in the paramilitaries must properly have a hand in his killing. Thus does Mr. Trevor, the masterful Ango-Irish short-story writer, draw us into the insanity of ''the Troubles'' in Northern Ireland.

The good burghers are pious and temperate Presbyterian townsmen who once a year don the bowler and the orange sash to commemorate their ancestors' defeat of the Catholic forces at the Battle or the Boyne.

The crazy person is the one who refuses to join in the Protestant marching to fife and drum through the Catholic neighborhoods—a ritualized rubbing of salt into the worlds of the subjugated people's descendants.

Thoughts of the fictional strife come to mind because today is the 308th anniversary of the Battle of the Boyne, in which the Protestant monarch of England, William III, of the Dutch House of Orange, vanquished the Catholic King James II. In the all-too-real life of Northern Ireland this past week, the peaceful promise of the Good Friday accords has been imperiled by violence in the buildup to this climax of ''marching season.''

Orange Order Protestants tasted defeat this spring when Irish voters north and south—including a narrow majority of Protestants—endorsed the peace process at referendum and followed up last month by electing a veto-proof majority of peace-accord supporters to a new self-rule assembly.

A bitter pill for the hardliners is that the new first minister of Northern Ireland, chosen under a peace process he helped to create, is one of their own, David Trimble.

Trimble, head of the Protestant Ulster Unionists Party, built his base in the Orange Order but came to believe that growing numbers of his constituents and co-religionists had wearied of the conflict that has wasted three decades and more than 3,400 lives in the North. This marching season, having helped to forge the shaky peace, Mr. Trimble has stayed on the sidelines as the order demanded the right to march its traditional route from the town or Portadown, west of Belfast, to the Anglican church in Drumcree and back. Since the British government's decree that they shall not march through a Catholic neighborhood in Portadown, Orangemen have camped in a nearby pasture.

Incidents of violence and rioting have ensued in the British-ruled province in recent days, as Prime Minister Tony Blair, Mr. Trimble and other moderates have sought a peaceful way out of the impasse. Orange leaders have threaten a general strike that could, they assert, paralyze Northern Ireland. Well, perhaps not. Not if enough Protestant citizens boycott the strike.

The Clinton administration played an important role in getting all sides through the negotiations that produced the accord but has little policy role now except to cheer and pay as the peacemakers face their first tough test in the streets.

(In an indirect way, however, President Clinton could contribute modestly to the long-term prospects for Irish peace by swiftly naming a successor to the recently departed ambassador to Ireland, Jean Kennedy Smith. Paul Quinn, the Pawtucket-born Washington lobbyists, has the experience in Irish-American affairs to make him as good a candidate as any.)

The hope for peace in Northern Ireland is with a new generation that, like Mr. Trevor's fictional youth, resists its inherited duty of hatred. Let us hope that its quiet force—which has won two historic votes for the pace-seekers since Good Friday—will

carry the day against the bowler-topped anachronisms on this bloody anniversary.

TRIBUTE TO JAN MEYERS, RECIPIENT OF 1998 VOLUNTEER OF THE YEAR AWARD

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to pay special tribute to the Honorable Jan Meyers, a former U.S. Representative and a personal mentor, who is the recipient of the 1998 Volunteer of the Year award presented by the Volunteer Center of Johnson County, Kansas.

Ms. Meyers has spent her life volunteering for numerous projects aimed at benefiting our community. Her career as a public servant, both as an elected official and as a volunteer, has been focused on bettering her neighborhood, the nation, and the world.

Her career started by working on local charitable and civic affairs including being an active member of the Overland Park, Kansas, City Council for five years. As a pioneer in Bi-State cooperation, Ms. Meyers was selected as the first Chair for the Mid-America Regional Council (MARC), our bi-state metropolitan planning organization. She then was elected to the Kansas Senate where she served for six years. In 1984, State Senator Meyers ran for the U.S. House Kansas 3rd District and won in a decisive victory. Once her career as an elected official began, she championed legislation that was important to her district, region, and the nation.

Congresswoman Meyers succeeded to Chair the House Small Business Committee, the first Republican woman to chair a legislative committee in the House since 1954. Meyers also served with distinction on the International Relations Committee, Economic and Educational Opportunities Committee, and the Select Committee on Aging. In 1997, she retired from Congress after 13 years of distinguished service. Today, Ms. Meyers serves as a board member of the Metcalf Bank, the Johnson County Library Foundation, and the Johnson County Community College Foundation.

While in the House, Congresswoman Meyers fought successfully to achieve fiscal responsibility. The Concord Coalition rated her in the top 10 percent of House members for her votes to cut the budget deficit.

When I arrived in Congress in 1995, I had the honor of serving with Congresswoman Meyers on the Small Business Committee, where I looked to her as a mentor and friend for guidance of issues facing the Committee and the House. She remains a dedicated and respected public figure who continues to be a pioneer in business and community activities.

The business and civic community have honored her with the Golden Bulldog Award for her fiscal votes to cut the deficit and eliminate wasteful spending, the National Taxpayers' Friend Award for her votes to cut spending and her opposition to tax increases, the Guardian of Small Business, the Entrepreneur's Perfect Partner Award, and the Outstanding Services Award from the Kansas Library Association.

Before her career as elected official, Ms. Meyers was an original board member of the Johnson County Community College Foundation and the United Community Services. She also served as a member of the Board of the Johnson County Mental Health Association, and President of the Shawnee Mission League of Women Voters. Ms. Meyers was a key player in developing Overland Park's Legacy of Greenery Committee, and chaired the committee to expand and fund a system of streamway parks in Johnson County, Kansas.

Mr. Speaker, please join me in congratulating the Honorable Jan Meyers as the recipient of the Volunteer of the Year for 1998. It is an honor for me to recognize Jan for her hard work and dedication. I wish her well in her future endeavors and community activities.

PUBLIC UTILITIES IN A DEREGULATED MARKET

HON. ZACH WAMP

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. WAMP. Mr. Speaker, as the Chairman of the bicameral and bipartisan Tennessee Valley Authority Caucus in the 105th Congress, I submit the following:

REMARKS BY CRAVEN CROWELL, CHAIRMAN, TENNESSEE VALLEY AUTHORITY, TO THE INSTITUTE OF ECONOMIC AFFAIRS, EUROPEAN ELECTRICITY '98 CONFERENCE, JULY 7, 1998—BRUSSELS, BELGIUM

THE ROLE OF THE PUBLIC POWER COMPANY IN THE DEREGULATED 21ST CENTURY

Thank you for that very kind introduction, and good morning, ladies and gentleman. It is indeed a great pleasure and an honor to be here today and I'm grateful for this opportunity to discuss—from the American perspective—some of the issues surrounding deregulation with experts from Europe, and around the world. I'm going to want to talk about the role of public utilities in a deregulated economy—and I'll try to keep my remarks general—but I'm most familiar, of course, with the Tennessee Valley Authority, where I serve as Chairman. So I hope you'll forgive my spending a little time about about TVA.

I'm certain that many of you are already familiar with the Tennessee Valley Authority but for those of you who are not, let me offer just a brief sketch of TVA's history—or at least that part of our history that's relevant to the issues we're discussing today. We are a public utility—100 percent government owned—and we're the largest supplier of electricity in the United States. We're also a major employer, with over 14,000 employees. We were created by the United States Congress in 1933 under the administration of President Franklin Delano Roosevelt. In fact, TVA was created just 37 days after FDR took office, so I think it's clear that the mission of TVA had a high priority for the newly elected president.

FDR said that the Tennessee Valley Authority was to be ''a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise.'' So you can see, from the start, that TVA had something of a dual identity—public ownership and public responsibilities, but the expectation that the company was to be fast on its feet, nimble and flexible, like a private corporation. TVA was created at a time when America and much of the world faced enormous hardships. The Great Depression—remember, this was 1933—was challenging whatever optimism remained after the tragedy of the Great War. But leaders like FDR believed that human will, properly channeled, and organized on a grand scale, could conquer hardship and adversity. Human will, harnessed by large-scale government works programs could—the ''New Dealers'' believed—reclaim the land, rebuild the shattered economy, and restore hope.

These bureaucrats—I guess that's what we'd call them today—believed that a public corporation like TVA could save the poor and the destitute of the Tennessee Valley. So TVA was not created principally to provide electric power to the Appalachian farmers who lived in the remote hills of the Tennessee Valley—in fact, electric power was not even part of its original mission. TVA was created to rebuild a broken society, and that's exactly what it did. Farmers needed to rebuild a broken society, and that's exactly what it did. Farmers needed to learn new methods of conservation so they could restore fertility to their barren farmland. Agricultural experts from TVA taught them. The rivers, prone to flooding and hazardous to navigate, needed to be tamed so they could serve the people who lived in their valleys.

Engineers from TVA tamed the rivers. TVA trained tens of thousands of poor farmers and gave them new skills. They built huge hydroelectric dams and sent electric power lines into parts of America that had never seen an electric light or used an electric appliance, and when electricity became a part of everyday life, experts from TVA helped teach energy conservation to the consumers of the power TVA produced.

Think about that. Long before conservation became fashionable, TVA was teaching people how to use less of what we make—not exactly part of a standard commercial business plan, but part of what we see as our public responsibility. Back in the '30s, TVA served the public good in thousands of ways and, most people would agree, helped break the stranglehold of the Great Depression.

I like to think that TVA played a significant part in creating the modern economy of the United States and the prosperity we've enjoyed in the second half of this century. But what about the next century? What will be the role of a public utility like TVA and public power companies in general in the deregulated 21st century? Public power now supplies 24.4 percent of the kilowatt-hours consumed by individuals and industries in the US. Will we continue to supply a quarter of the nation's electricity under deregulation? And what about rates? The cost of electricity in the United States can vary between 4 cents per kilowatt-hour in Kentucky, to nearly 12 cents in New Hampshire. The political pressure to level the national rate structure will be enormous. What role should public utilities play in that debate?

As we wrestle with all of these questions, I believe the challenge for the public utilities will be to continue to embrace the dual identity Franklin Roosevelt envisioned sixty-five years ago. Public in fact, private in behavior—solid and responsible, yet creative and competitive. In this way TVA, and public utilities like ours, will set a standard for public responsibility against which private companies can be measured . . . even as we continue to provide our core product—wholesale electric power—at competitive prices.

What will this mean in practice? Well, if we've learned anything in the United States in this last decade it is that deregulation does not automatically mean consumer benefit. We deregulated our telecommunications industry and, while we'd hoped to see new competition result in lower rates, the results—so far at least—have been mixed.

The same with banks. Deregulation has, theoretically at least, made it easier for new banks to compete with established banks. But while thousands of new banks have been created, many of the big established banks have merged, meaning, for many people, less consumer choice, not more. I guess we shouldn't be surprised to find that the ''law of unintended consequences'' applies to deregulation, just as it applies to everything else.

So, after about a decade of experience, we in the US have learned, I think, to approach deregulation carefully. Rushing headlong into a deregulated economy can, we have found, usher in new problems, even as it solves some of the old ones. The key to measuring the success of deregulation is, and will be, of course, the degree to which regulatory change benefits the public. Again, we come back to the idea of the public good. But how will this benefit be measured? And what should we look out for?

I would suggest that one of the greatest services public utilities can provide in a deregulated marketplace is vision, especially in the context of the public interest. The independently owned, private utilities might say that they are the ones who bring ''vision'' to the utilities industry but I would challenge that view. In fact, competition—especially in this era of ''just in time'' delivery—often breeds a corporate vision that sees no further than the next quarterly report, or today's closing share price on the New York Stock Exchange, and this lack of vision, especially in our industry, can have very serious consequences. Public power's vision starts and ends with public responsibility.

Let me give you an example. This summer, if we're unlucky—and let's hope we're not—we could actually find ourselves short of power in one or more major American cities. Just imagine the impact on computers and transit systems if that were to occur.

Now, private utilities also know that the American economy is increasingly dependent on electrical power, but their bottom-line calculations don't allow for the generation of very much excess capacity just because we might, in a heat wave, find ourselves running short. Right now, they would argue, construction of another major generating unit would not produce the return on investment their shareholders demand. Surplus capacity is unsold inventory. It's ''inefficient.''

At TVA, of course, we don't have shareholders. We have the public. So, while TVA does not build facilities for power production greater than the requirements of our service area, we do operate with a surplus to avoid a power shortage to our customers. We provide this margin for unexpectedly high demand and generation which is sometimes unavailable.

In the past five years, we've seen load growth of about 3.9 percent per year in the Tennessee Valley and 2.7 percent across the US—and the US Department of Energy projects load growth of close to 2 percent nationally every year for the next decade—so, frankly, it is our public responsibility to continue to provide a margin for the Valley as the load continues to grow. Which is not to say that we couldn't actually run short of power in the Tennessee Valley this summer. We could. There's no telling just how high the temperature will rise, and for how long. (Someone else is in charge of the weather.) But at TVA, we think long and hard about these issues. It's our responsibility, because we're a public utility.

Let me offer another example of the vision of the public utility. As far back as 1933, when TVA was created, it was clear that the system of streams and rivers that feed the Tennessee River—and the Tennessee River itself—could be both friend and foe to the people in the valley. TVA was charged with the responsibility of managing the river first as a natural resource and second as a power resource. In fulfilling this responsibility, our public utility has helped reclaim thousands of acres of farmland and stem the tide of seasonal flooding. Private utilities count on other government agencies to handle land and river management—in the US, that's usually the Army Corps of Engineers—but in the Tennessee Valley, water resource management is the responsibility of TVA, a public utility. Our public utility has also helped industries in the Tennessee Valley grow and prosper.

We've helped arrange loans for small businesses, we've helped locate industrial sites, and we've provided technical expertise to start-up companies and major corporations who have chosen to make the Valley their home. But as the deregulation debate heats up in the months and years ahead, I'm sure that some will question whether TVA or any public utility should continue to manage such a broad portfolio of public service. ''That was fine during the 1930s,'' some will argue, ''but we're a long way from the Great Depression. We don't need a TVA for the 21st century.'' I would argue, in fact, that we will need public utilities more than ever. Even if deregulation succeeds in lowering electricity costs for most Americans (and I think everyone agrees that it's unlikely to reduce electricity costs for all Americans), there are still questions about the overall benefits of deregulation to the public.

But let me be clear here. TVA is pro-deregulation and pro-competition. The US government, in a Comprehensive Electricity Competition Plan published by the Administration last March, calculates that retail choice deregulation will cut electricity costs by about 10 percent, or about $100 dollars per year for a family of four. That's a significant savings and, again, as a public utility, we're in favor of cutting energy costs for the American people.

Deregulation has the potential to save billions in energy costs for commercial customers, which will make American industries more competitive in the global marketplace. This will benefit the entire American economy and, as a public utility, we support lower energy costs for business and industry, and let me be clear about one more important point. Public responsibilities will not—and should not—absolve public utilities of the requirement to operate efficiently and to compete fairly in the deregulated marketplace.

At TVA, we're proud of the fact that our production costs are second lowest among the nation's top 50 utilities, and we're hard at work, every day, finding new ways to bring those costs down even lower. But lower electricity costs along are not the sole measure of the public good. If energy companies degrade the environment to produce cheaper electricity, is that a net gain, or loss, for the people who use the power, and live on the land?

If a regional power company chooses to neglect its responsibilities to its local customers so as to make a bigger profit wheeling power to a distant market, it that a net benefit, or loss, of the nation as a whole? These are difficult issues now, and they will become even more difficult in the deregulated future. Public utilities, which serve the interests of the people—not just corporate shareholders—will provide a benchmark by which the performance of all power companies will be measured.

They will help to define ''the public good'' as it applies to energy production and distribution. And for this reason alone, they deserve their place in the deregulated marketplace of the next century. I know that many of you are wrestling with some of the same issues we are dealing with now in the United States. Deregulating electric utilities will lower energy costs for our citizens and our industries and it is our responsibility to work together—public utilities and independent providers, industry executives and political leaders—to achieve this goal. But if our experience is of any value. I would suggest that you approach deregulation thoughtfully, and with careful deliberation. Above all, I would suggest that you measure the success of your efforts in more than just francs, or marks—or euros—saved.

I would suggest that you measure your ultimate success against the higher standard of the public good. A final thought. The political challenges of deregulation may cause some of us, at various points in the process, to question whether it is a course worth pursuing.

I believe that it is, and that we must stay the course, and do it right. I take my inspiration, again, from President Franklin Roosevelt. The day before he died, FDR wrote remarks for a Jefferson Day lecture he was to deliver the following day. He wrote . . . but never said . . . ''The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.'' And as we move forward, ladies and gentlemen, let us remember to balance our commitments to our various boards and shareholders with a commitment to the constituents who matter most: the publics we serve. Thank you all very much for your kind attention, and thank you to the IEA for inviting me here to Brussels for this excellent and most interesting forum.

PERSONAL EXPLANATION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. PORTER. Mr. Speaker, during the vote on H.R. 3682, the Child Custody Protection Act, on July 15, 1998, I was not able to vote on final passage. I want to clarify that I oppose H.R. 3682, and that I would have voted ''nay'' had I been present.

Mr. Speaker, the rule on this bill should have permitted amendments to H.R. 3682 and for that reason I opposed the rule and the previous question on the rule. I voted for the motion to recommit because the bill in its present form is too extreme. The current legislation could punish anyone, including a grandparent or mother in a State with a two parent notice requirement, who accompanies a young family member across State lines for an abortion. If amended to address this type of problem along the lines recommended by the President, this bill could earn my support and be swiftly enacted into law.

OMB CONFIRMS CREDIT UNION BILL HAS NO NET BUDGET IMPACT

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. KANJORSKI. Mr. Speaker, I am pleased to report to the House that the Director of the

Office of Management and Budget, Jacob Lew, has confirmed that enactment of the LaTourette-Kanjorski, Credit Union Membership Access Act (H.R. 1151) would have, ''no net budget impact'' and ''no PAYGO cost.''

This finding by OMB, which applies to both the House-passed, and Senate Committee-reported versions of H.R. 1151, verifies what most of us have intuitively known for some time. Expanding access to credit unions will give consumers additional choices but will not negatively affect the federal budget. Nor will it violate the Balanced and Emergency Control Act. Claims to the contrary are merely efforts by opponents of consumer choice to throw obstacles in the way of this important pro-consumer legislation.

The Office of Management and Budget has had an excellent record in recent years for accurately projecting the budget impact of legislation. OMB's analyses are prepared by dedicated professionals who take their responsibilities seriously. We should be thankful for their conclusions and should all work to ensure that a final version of the LaTourette-Kanjorski Credit Union Membership Access Act is presented to the President for his signature as soon as possible.

The full text of OMB Director Lew's letter follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 15, 1998.

Hon. PAUL E. KANJORSKI,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE KANJORSKI: Thank you for your letter inquiring about the budget impact of H.R. 1151, the Credit Union Membership Access Act. OMB estimates that there would be no net budget impact from either the House or Senate versions of H.R. 1151 under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985's Pay-As-You-Go budget scoring rules (known as ''PAYGO'').

Sections 101 and 102 of H.R. 1151 (as passed by the House and as reported by the Senate Banking Committee) redefine the circumstances under which a credit union may expand its field of membership. By increasing credit union membership beyond what was permissible after the recent Supreme Court decision, the new field of membership rules may allow consumers to shift funds from tax-paying financial institutions to tax-exempt credit unions, resulting in reduced revenues. By longstanding convention, OMB only scores revenue changes resulting directly from modification of tax law; it does not score indirect changes resulting from modification of consumer behavior. This is consistent with OMB's interpretation of the Budget Enforcement Act requirement to score costs resulting from legislation. Because Sections 101 and 102 do not change tax law, OMB estimates that these sections would have no PAYGO costs.

The new definition also would lead credit unions to acquire more insured shares (deposits), thus increasing deposit insurance assessments received by the National Credit Union Share Insurance Fund (NCUSIF). The Balanced Budget and Emergency Deficit Control Act of 1985, section 252(d)(4)(A), exempts provisions that provide for the full funding and continuation of the government's deposit insurance commitment from the PAYGO scoring rules (known as the ''deposit insurance exemption''). The additional deposit insurance assessments that NCUSIF would receive as a result of this provision come under the deposit insurance exemption and are, therefore, PAYGO exempt. OMB estimates no PAYGO cost from expansion of the common bond authority.

H.R. 1151 would prevent the National Credit Union Administration (NCUA) from issuing a rebate of NCUSIF funds to insured credit unions until the fund's reserve ratio exceeds 1.5% of insured shares. Currently the NCUA pays rebates whenever the fund reserve ratio exceeds 1.3%. This provision would decrease NCUSIF outlays until the fund reaches 1.5% currently estimated to happen in 2003. As above, this provision contributes to the full funding and continuation of deposit insurance, and is therefore exempt from PAYGO.

Finally, H.R. 1151 increases NCUA's administrative expenses. The NCUA's policy, however, calls for charging member credit unions fees sufficient to offset all administrative costs. Thus, these additional expenses would be PAYGO neutral.

Thank you for your interest in OMB's analysis of H.R. 1151.

Sincerely,

JACOB J. LEW,
Acting Director.

NEW LEAKS OF INFORMATION FROM KEN STARR'S INVESTIGATION IMPUGN INTEGRITY OF DEDICATED SECRET SERVICE PROFESSIONALS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. CONYERS. Mr. Speaker, leaks of confidential information regarding Ken Starr's investigation of the President have become intolerable. Yesterday, the media was filled with reports that were attributed to congressional sources close to Mr. Starr's investigation. According to those sources, Mr. Starr subpoenaed Larry Cockell, the head of the President's Secret Service protection team, in order to learn whether the Secret Service ''facilitated'' meetings between the President and unnamed women.

The suggestion that the Secret Service would do that kind of thing is an outrage. And to share those sinister and unfounded suspicions with unnamed congressional sources is even worse. Why should the Secret Service have to endure this slander from people who claim to represent the United States of America?

Secret Service agents put their lives on the line day-in and day-out. Whenever, the President is in public, they are in the line of fire. Who can forget the searing image of John Hinckley's cowardly attack on President Reagan. And who can forget the fact that Tim McCarthy, the President's Secret Service agent, took a bullet to save the President's life.

The agents who protect the President are the best of the best. It is an insult to the integrity and professionalism of these dedicated men and women to think that they would participate in these kinds of activities. In fact, Lewis Merletti, the Director of the Secret Service, and the former head of the President security team, said last night that he would have resigned before he would have tolerated improper activity by a person he as assigned to protect.

Mr. Starr denies that he leaked information about the Secret Service matter to Congress. Unfortunately, he has little credibility on that issue. In the past, Mr. Starr said that he made ''the prohibition of leaks a principal priority'' of his Office. He also said that he considered leaks ''a firing offense.''

Only later did we learn that Mr. Starr and his chief deputy routinely talk to reporters off-the-record. When that fact was exposed, Mr. Starr tried to argue that as long as he did not reveal what a witness said in the grand jury room, there was no law or ethical rule that prevented him from talking to reporters. Of course, Mr. Starr's position is contrary to a recent decision by the D.C. Circuit Court of Appeals that makes it illegal to reveal ''not only what has occurred and what is occurring, but also what is likely to occur. Encompassed within the rule of secrecy are the identities of witnesses of jurors, the substance of testimony as well as actual transcripts, the strategy or direction of the investigation, the deliberations or questions of the jurors, and the like.''

Over and over again, Mr. Starr either pushes or exceeds the limits of propriety. His dealings with the Secret Service are a good example. Although Mr. Staff won the right in the district court and court of appeals to serve his subpoenas, the matter is still under litigation. With the issue heading for a showdown in the Supreme Court, why did Mr. Starr try to get the agents into the grand jury today? One explanation, and one that I hope is not true, is that he wanted to get the testimony before the Supreme Court could rule on the issue.

Mr. Starr's insistence that the agents testify today has thrown the legal process into disarray. Our legal system is built on the orderly movement of a case from the trial court, to appeal, to the Supreme Court.

This process ensures that judges have enough time to consider the arguments for and against each side of a dispute. Here, where the safety and health of the President of the United States are at issue, it is particularly disturbing that Mr. Starr has engaged in legal strong-arm tactics.

WASHINGTON ELEMENTARY SCHOOL: A MODEL FOR EDUCATIONAL SUCCESS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. MILLER of California. Mr. Speaker, over the last several months I have had the distinct pleasure of working with an incredible group of young people on the development of a Congressional ''Kids's Page'' web site. These aspiring web designers were students from the 4th, 5th and 6th grade classes at Washington Elementary School in Richmond, California.

Washington Elementary is an ethnically diverse neighborhood school situated between an affluent bayshore community and the inner-city streets. The oldest school in the West Contra Costa Unified School District, it was slated for closure in 1991 because of falling enrollment and poor academic achievement. Yet the Washington School of today is a thriving learning environment, full of energy and life. Its enrollment has more than doubled, test scores are quickly rising and it has been recognized by the Bay Area School Reform Collaborative as a Leadership School.

The catalyst for Washington's transformation has been school principal, Kaye Burnside. Kaye's personal commitment and perseverance are responsible for Washington's dramatic turnaround. She has worked to assemble a team of teachers, educational professionals and community volunteers who mirror her passion and creativity, and who have created a place alive with learning.

Under Kaye's leadership, many educational partnerships have been forged, including Break the Cycle, a project with the University of California which provides after-school math tutors for approximately 90 students, and Project SEED, a program which introduces elementary students to algebra and other higher math. Washington has been designated a science magnet school and in keeping with their school mascot—the dolphin—a core marine science curriculum has been developed which runs as a theme throughout the many facets of school life. Kaye's efforts have also resulted in recognition from the Annenberg Foundation which has named Washington as an Annenberg Leadership School and provided support for Washington's contract with Early Childhood Resources to provide peer coaching of classroom teachers.

Recognizing that technological literacy is an important element of any student's future success, Kaye has strived to ensure that Washington students are fully versed in utilization and application of informational technology. Kaye recruited the talent which has brought to Washington a state-of-the-art computer learning center and integrated technology into the broader school curriculum. Development of the ''Kid's Page'' is just one example of this successful integration, with Washington students undertaking a project which challenged their hands-on computer skills while simultaneously asking them to research and explore various aspects of representational government and the legislative process.

Kaye has always envisioned that Washington would be more than just a school. She has built a true community center, a place in which neighbors feel a sense of pride and ownership. Washington has become the focus of the Many Hands Foundation, an exemplary community partnership which has brought together parents, business leaders and a cadre of volunteers in support of educational excellence. The Many Hands Foundation provides three business sponsors for each of Washington's classrooms. Many Hands also sponsors the Spirit of Excellence program, a program which rewards academic achievement with scholarships to summer Science Camp and purchase of a home computer.

The Many Hands Foundation, believing that Kaye has developed something truly special at Washington Elementary, will soon be awarding Kaye a grant enabling her to document the story of Washington's transformation. Washington is a model for replication in communities throughout our country, and I am personally honored to have been involved with its success. I invite my colleagues to join me in recognizing the tremendous contributions of Kaye Burnside and the Washington School community in the education of our young people.

ONE-YEAR ANNIVERSARY OF ARREST OF FOUR FROM CUBAN DOMESTIC DISSIDENCE WORKING GROUP

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. GILMAN. Mr. Speaker, one year ago today, on July 16, 1997, Rene Gomez Manzano, Marta Beatriz Roque, Felix Bonne Carcases, and Vladimiro Roca of the Domestic Dissidence Working Group were arrested in Cuba. These four brave dissidents authored a document titled ''The Nation Belongs to Everyone,'' which offered their views on the social and economic situation in the country and on a peaceful transition of democracy. The document was issued as a response to the official declaration of the 5th Cuban Communist Party Congress.

The Castro Regime has not even had the courage to publicly charge these four prisoners of conscience, although Amnesty International believes they have been secretly charged with disseminating ''enemy propaganda.''

Last January, a Congressional Staff Delegation brought back a photograph of a courageous soul at Pope John Paul's Mass in Havana holding a sign aloft bearing the words ''The Nation Belongs to Everyone.'' these four brave dissidents have not been forgotten in Cuba. It is our duty to remember them here. The Clinton Administration has made a number of unilateral concessions to the Castro regime in recent months. President Clinton should have eschewed this empty rhetoric and these unrequited concessions and instead demanded the release of these political prisoners.

The Miami Herald reported today that imprisoned dissident Vladimiro Roca in an open letter to the foreign press and diplomatic corps, asked Wednesday for a ''fair and public trial'' for himself and the three other dissident leaders. He said ''We wish to draw public attention to our situation and to demand a fair and public trial, in the presence of the foreign press and any diplomats accredited in Cuba who may wish to attend, in proceedings both transparent and aboveboard.''

Mr. Speaker, I believe that our European and Canadian and Latin American friends and allies have a special responsibility to act to secure the release of these four dissidents. Shortly before they were arrested, the dissidents held a briefing for foreign diplomats.

Two of the dissidents, Marta Beatriz Roque and Feli Bonne, described in a recorded July 7 conversation just days before they were arrested how only the United States Interests Section attended their briefing. Asked why other countries' embassies failed to attend, Roque replied: ''Well, we think because of pressures.'' Felix Bonne added ''We're hurt by the countries that did not attend . . . We're grateful to [U.S. Principal Officer Michael] Kozak and U.S. Human Rights Officer[Tim Brown.''

On August 12th, 1997, Armando Correa reported in The Miami Herald 19 years old Idiana Durate's experience sharing a small, unventilated cell with Marta Beatriz Roque and three prostitutes.

Duarte said that she and her companions tried to keep the cell clean even though they were given water only twice a week. She was quoted as tearfully recalling: ''We had to use something that wasn't even a bathroom, with no privacy and with overwhelming human waste. At one point I became desperate in the terrible heat and I was only able to find refuge in Marta Beatriz.''

Duarte said ''In that cell, next to Marta Beatriz [Roque] I learned what it's like to be a dissident, what it's like for a woman who has to struggle for her ideals.'' Roque, 52, was like a mother to her, Duarte said. ''She told me: 'Be strong; don't pay attention to these torturers.''

Roque's behavior during questioning by Interior Ministry officials impressed Duarte. ''Every time my turn came up, I suffered,'' Duarte said. ''But Marta talked back to them, raked them over with a courage I've never seen in a woman.''

Shortly before being released, Duarte learned that Cuban government prosecutors had asked for 20 years' imprisonment for Roque. ''They want to frighten me,'' Duarte quoted Roque as saying. ''But if I have to serve them I will, because I'm fighting for a just cause.''

Marta Beatriz Roque and Vladimiro Roca have suffered serious health problems during their imprisonment. Marta Beatriz Roque has now reportedly been moved to a cell with hardened, violent criminals and is subjected to constant threats.

Accordingly, I invite our colleagues to join in an appeal to the Cuban Government to release these four dissidents.

HONORING DON A. HORN

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. BENTSEN. Mr. Speaker, I rise to honor Don A. Horn for his outstanding contributions to the community and his thirty years of service on behalf of working Americans as Secretary-Treasurer of the Harris County, Texas, ALF–CIO Executive Board. Don Horn retired in 1995 and will be honored at a belated, but well-deserved retirement party on July 22, 1998, when his enduring contributions will be remembered.

A graduate of the University of Houston, Don Horn became a union member in 1945 when he joined the International Brotherhood of Electrical Workers in Houston. Don served Local 716 as a member of the Executive Board, President, and Business Representative. In 1965, the Harris County AFL–CIO Executive Board elected Don as Secretary-Treasurer, a position he held until his retirement in 1995. During these 30 years, he also served on the Texas AFL–CIO Executive Board as a Trustee. In all these endeavors, Don Horn has provided a strong voice of clarity, wisdom, and constant dedication on behalf of working people. He has fought to protect the rights of working people and ensure fair compensation and sound benefits such as health care and a secure retirement. He has also been active in the political process, working to ensure that the concerns of working people are heard and addressed.

Don Horn also served on countless community organizations, providing a voice for organized labor on community affairs.

Ensuring accessible and affordable health care was a special concern for Don. He served ten years on the Harris County Hospital Board and was a leader in extending Neighborhood Health Centers to all parts of Harris County, bringing health care to low-income people in their own neighborhoods. Don also served on the Texas State Health Board as a Consumer Representative. One of his major accomplishments was to help spur a statewide reexamination of nursing home practices.

Don also served for years on the United Way Board of Trustees and as a Boy Scout Leader. He spent his vacations at campgrounds for Scouts. Another organization that benefited from his participation is the Public Forum, a think tank at the University of Houston.

Retirement has not ended Don Horn's commitment and activism, as he is still active in recruiting union retirees for the Harris County AFL–CIO.

Don has been blessed with a devoted wife, Ruth, and three children, Melvin, George, and Sharon. He has one granddaughter, Ashley, with another granddaughter expected. He is an elder of the Trinity Presbyterian Church.

Mr. Speaker, I congratulate Don A. Horn for his thirty years of service to organized labor and Harris County. His contributions to the labor movement and our community will not be forgotten.

TRIBUTE TO REV. WILBERT SPIVEY

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. PAYNE. Mr. Speaker, this weekend will witness a tribute to Rev. Wilbert Spivey. Rev. Spivey is being honored for his many years of service to his church community as well as the community at large.

Rev. Spivey is a life-long resident of Montclair, New Jersey. I am honored to serve a portion of Montclair as its Representative in this esteemed body. Rev. Spivey has a wonderful zeal for life and all it entails in making life more comfortable—physically and spiritually. Rev. Spivey has served the St. Paul Baptist Church for more than 40 years in various capacities including Youth Ministry Director, Sunday School Teacher, a member of the Music Ministry (Male Chorus and Gospel Chorus), Wednesday Evening Bible School Instructor and Noontime Bible study teacher. Currently, Rev. Spivey is the Minister to Senior Adults.

Although quite active in the church, Rev. Spivey has taken his commitment to the Montclair community just as seriously. He has served as a past President of the Glenfield PTA. In 1995, he retired from his position as an x-ray technician with the East Orange Veterans Hospital.

Mr. Speaker, the Bible speaks of there being a season for everything. Rev. Spivey has spent his life living to his full potential and working to make sure that others have the same opportunity. I am sure my colleagues will join me as I extend my best wishes to him and his family—his wife, the former Sylvia McCormick; their three children, Michael, Deborah and Lori; and their two grandchildren, Joya and Tommy; and, of course, his church family at St. Paul Baptist Church under the leadership of Rev. Dr. V. DuWayne Battle.

HONORING ELTA CEOLE SPEIGHT OF PASADENA, TX

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. BENTSEN. Mr. Speaker, I rise to honor Elta Ceole Speight of Pasadena, Texas, for her many contributions to the community, including 30 years of service as political director for the Harris County AFL–CIO Council. One of only three women to hold that position with the Council, she has been a leader on many fronts, including rights and opportunities for women, organized labor, and education.

Ceole Speight is best known for her outstanding contributions as a dedicated leader in the labor movement in Texas. Born in Louisiana, she moved to Texas after marrying her husband, Joe Speight, a former labor organizer, and quickly became involved in organized labor herself. She volunteered for the Women's Auxiliary Division of the Harris County AFL–CIO and became one of the organization's most dependable and hardest-working volunteers, recruiting friends and neighbors as well as her four children, Jean, Kenny, Calvin, and Glenn, when extra volunteers were needed. On July 1, 1968, Ceole Speight became the Harris County AFL–CIO's Women's Activities Director. Ceole is also a member of the United Food and Commercial Workers International Union and of the Coalition of Labor Union Women.

Ceole Speight has also been deeply committed to providing a quality education to all children. She served in all the elected positions of the Parent Teachers Association during her children's school years. In 1997 and 1998, the Texas AFL–CIO Scholarship Fund named a scholarship after her to recognize her concern for and generous contribution to education.

In all her endeavors, Ceole Speight has been a pioneer for women. A member of the Coalition of Labor Union Women, she has worked to ensure that the concerns of working women are not forgotten. Her leadership culminated in her appointment by former Texas Governor Mark White to serve on the Governor's Commission for Women.

Ceole Speight is also deeply committed to making our Nation's political process work for all Americans, as reflected in her efforts to encourage her fellow citizens to register and vote. She is a deputy voter registrar for Harris County and offers classes of instruction for voter registrars. She has also been active in politics at the precinct level and as a member of the League of Women Voters. She continues to serve as a member of the Texas State Democratic Executive Committee.

Ceole Speight has been a leader in many respects, but most of all through her own example. She has been a resource and inspiration for many young Texans. In 1991, the Texas Legislature passed a well-deserved resolution recognizing her many contributions. I join in congratulating and thanking Ceole Speight for all that she has done for organized labor, education, women, and our community as a whole. Her contributions will endure for years to come.

THE NO SECOND CHANCES FOR MURDERERS, RAPISTS, OR CHILD MOLESTERS ACT OF 1998

HON. MATT SALMON

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. SALMON. Mr. Speaker, more than 14,000 murders, rapes, and sexual assaults on children are committed each year by individuals who have been released into our neighborhoods after serving a prison sentence for rape, murder, or child molestation. Think about it: every one of these crimes is preventable. These perpetrators were behind bars, convicted of heinous crimes, yet were released to prey on the population again. This is unconscionable, indefensible, and must stop. I am committed to seeing that it stops, which is why today I am introducing the ''No Second Chances For Murderers, Rapists, or Child Molesters Act.'' The legislation will encourage States to keep the most violent offenders off of the streets.

Public safety demands that we keep these people behind bars. Second chances may be fine for a petty thief. However, I don't believe that individuals who have murdered, raped, or molested a child, should have the opportunity to repeat their criminal behavior.

We can prevent the repeat carnage if we simply have the will to keep these offenders in prison for life. It may be stating the obvious, but the fact is that last year, not a single murderer, rapist, or child molester in prison victimized an innocent person in the community. Unfortunately, all too many who were released went on to commit these brutal crimes again.

Among the crimes committed by released recidivists were these senseless tragedies:

In 1997, Arthur J. Bomar Jr. was charged in Pennsylvania with the rape and murder of George Mason University star athlete, Aimee Willard. Bomar had been paroled in 1990 from a Nevada prison, following an eleven year stint in prison for murder. Even in prison he had a record of violence. Bomar is also being investigated for involvement in at least two other homicides that followed his release.

Laurence Singleton raped and physically mutilated Mary Vincent in California. She showed extraordinary courage and perseverance by surviving the attack and working for his conviction. He was sent to jail, where he should have stayed. Yet because of weaknesses in our criminal justice system, he was later released, and he murdered Roxanne Hayes in Florida. Again in large measure because of Ms. Vincent's efforts, Singleton was recently sentenced to death in Florida.

Robert Simon killed his girlfriend for refusing to engage in sexual relations with his motorcycle gang. For this crime, Simon spent 12 years in a Pennsylvania prison. Eleven weeks after he was paroled, he was arrested for killing a New Jersey police officer, Ippolito ''Lee'' Gonzalez. A New Jersey jury would later sentence Simon to death for this crime. The judge who had sentenced Simon in Pennsylvania on his first murder conviction, had written to the state parole board that Simon ''should never

see the light of day in Pennsylvania or any other place in the free world.''

Reginald McFadden killed an elderly women in Philadelphia by binding her face with tape and suffocating her. After 25 years in prison he was paroled. three weeks after his parole, McFadden went on a crime spree in New York. McFadden murdered three people, and raped, assaulted, and held hostage a fourth. The survivor of the one man crime wave, Ms. Jeremy Brown, offered courageous testimony that helped to convince jurors to convict McFadden. After the conviction, Ms. Brown said: ''McFadden was given a second chance, for some inexplicable reason, and now we have to pay for it.''

Gregory Bolin was convicted in Colorado for raping two women. Paroled once, he returned to prison after armed assault. Then, two weeks after being released prematurely for the second time, he moved to Nevada and kidnapped, raped, beat, and finally murdered a 21-year-old woman, Brooklyn Ricks. The prosecution argued that the one lesson Bolin learned during his incarceration was not to leave witnesses to his sex crimes. A Nevada jury sentenced Bolin to death for the murder of Ricks.

Released murderers, rapists, and child molesters are more likely to re-commit the same offense than the general prison population. Released murderers are almost five times more likely than other ex-convicts to be re-arrested for murder. Released rapists are 10.5 times more likely than non-rapist offenders to have a subsequent arrest for rape. Astonishingly, a recent Department of Justice study revealed that 134,300 convicted child molesters and other sex offenders are currently living in our neighborhoods across America.

Sentences for these crimes, particularly sex crimes against women and children, are incredibly weak. The average actual time served by men after conviction for rape is just 4 years, 9 months. For sexual assault (including molestation, forcible sodomy, lewd acts with children, etc.), it is just 2 years 9 months. Moreover, fully 13% of convicted rapists receive no jail time. Following the tragic death of nine-year-old Megan Kanka, who was killed by a released, convicted child molester, Congress and state legislatures have recognized the rights of families to be aware of child molesters in their midst. Through Megan's Law and its policies of sex offender registration and community notification, citizens have been empowered to take measures to protect themselves. Now we should build on Megan's Law by keeping these dangerous criminals out of our neighborhoods entirely.

Ten years ago, a parent had no right to be notified that a convicted child molester lived next door. Now, many want more than notification that dangerous child molesters are in their neighborhoods and near their schools. They want to live free from convicted sex offenders. Let's keep every molester behind bars so we don't have to have more tears, more memorial services, and more child victims. I repeat: every crime committed by a released child molester is preventable. And to those who disagree, a simple challenge: you explain to the victims of pedophilia why imprisoned child molesters, who have the highest rates of recidivism, should ever be set free to victimize innocent children again. Given that criminals with electronic monitors have raped while wearing the tracking devices, it is foolhardy to hope that registration alone can prevent subsequent depraved acts.

I want to change the nature of the debate. To encourage states to keep sex offenders and murderers in prison where they belong, I am introducing the ''No Second Chances for Murderers, Rapists, or Child Molesters Act of 1998.'' The legislation would enact a simple process: if a state releases a murderer, rapist, or child molester and that criminal goes on to commit one of those crimes in another state, the state that released the criminal will compensate the second state and the victim of the later crime. Specifically, the Attorney General, using federal law enforcement funds, would transfer the second state's cost of apprehension, prosecution, and incarceration of the criminal from the state that released the criminal to the second state. Half of the amounts transferred would be deposited in the state's crime victims' fund, and half would be deposited in the state account that collects federal law enforcement funds. Additionally, the proposal provides $100,000 to the victims of the subsequent attack.

The No Second Chances bill is an appropriate exercise of federal authority. It specifically leaves to the states those cases in which a recidivist strikes again in the same state. But states are helpless in preventing many crimes that occur because other states, with weaker laws, allow their released criminals to return to the streets to commit more crimes. This bill alerts states that they will assume a financial risk when they release the most violent felons back into society. Only states that do not take measurers to eliminate interstate recidivism among killers, rapists, and child sex predators will suffer. States that have enacted tough criminal laws should not have to pay for the costs of another state's failure to keep a dangerous offender behind bars.

States can reverse the misguided policy of releasing dangerous sex offenders today. (Some notorious child molesters have publicly admitted that they will terrorize young children again if released into society.) The Supreme Court has ruled that a dangerous sex offender may be kept in custody past the expiration of his sentence. A permanent solution would be for the states to pass laws that mandate lifetime incarceration (or the death penalty) for murderers, rapists and child molesters.

Finally, to ensure that Federal law is consistent with the changes we are encouraging the States to make, the legislation instructs the United States Sentencing Commission to amend the Federal Sentencing Guidelines to provide that whoever is guilty of murder, rape, or unwanted sexual acts against a child shall be punished by imprisonment for life (or by the death penalty, in the case of murder).

We know that the one sure-fire way to prevent crime is to keep criminals in jail. The investment in prisons during the 1980s may be the most important factor in the declining crime rate Americans have experienced during much of the 1990s. We spend about $102 per person annually—27 cents a day—on federal, state, and local correction facilities, less than we spend on cable television. What is a couple of additional cents compared to a life taken too early, the permanent damage to a woman raped or a child molested? And let's not forget that society has already spent hundreds of millions of dollars in investigating, prosecuting, and incarcerating these criminals in the first place (not to mention the cost to the original victims).

Before I close, I would like to dedicate this bill to all of those who participated in today's bill introduction ceremony and the memory of those they lost. I am touched that people would come from all across the country to express support for the No Second Chances Bill.

Gail Willard from Pennsylvania, mother of Aimee, has galvanized support for the recidivism measure, which I also refer to as ''Aimee's Law.''

The assistance of one of the truly courageous people on this planet, Mary Vincent, as well as that of her attorney, Mark Edwards, has been instrumental in putting together the No Second Chances bill.

Jeremy Brown from New York, the rape survivor whose attacker murdered three others and raped her after being released from a murder sentence in Pennsylvania, has also been active in the process of crafting the legislation.

Louis Gonzales from New Jersey, brother of Ippolito, has been a tremendous help in convincing others to support this effort.

Marc Klaas, whose daughter Polly was molested and murdered by a released molester, has been successful in lobbying for the passage of important criminal justice reforms on the state and federal level. His participation in this effort is very much appreciated.

Fred Goldman, whose son Ron was murdered, has been a leader in the victims' rights movement. He has helped us gather support for the bill.

Mika Moulten from Illinois, mother of a beautiful boy Christopher, a 10 year-old molested and murdered by a released child molester and killer, has inspired me with her dedication to improve our nation's criminal justice system.

And Carol and Roger Fornoff from my state of Arizona, parents of Christy Ann, a 13-year-old girl who was raped and murdered while she was delivering newspapers, have generously offered their help to pass the No Second Changes Bill. Carol and Roger led a successful crusade in Arizona to increase sentences for those who attack children.

I also thank Officer Lou Cannon from the Fraternal Order of Police; and Sara O'Meara, Yvonne Fedderson, and Mariam Bell, the founders of Childhelp USA, for their support. It is a great honor to have the support of the nation's preeminent law enforcement organization and the leading child abuse and prevention organization.

Finally, I want to offer my thanks to Steve Twist of Arizona for all of his assistance in drafting the No Second Chances Act. There are few people in the country that have Steve's grasp of the state and federal criminal code.

The most important function of government is to protect the public safety. It is immoral for criminals convicted of the most serious crimes, and already behind bars, ever to be given a second chance to prey upon the innocent. The enactment of the No Second Chances measure would help government meet its fundamental obligation to every man, woman and child in America.

FORWARD, UPWARD, ONWARD TOGETHER—THE BAHAMAS

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. PAYNE. Mr. Speaker, on July 10, the Commonwealth of The Bahamas celebrated the 25th anniversary of independence. On Saturday, July 18, an Independence Luncheon will be held under the direction of Consul General Dr. Doswell C. Coakley. The Honorable Minister of Tourism, Cornelius A. Smith will serve as the guest speaker. As a long-time world traveler who respects cultures and globalism, I would like to add my congratulations and best wishes on such an auspicious occasion.

As one of the premier independent nations of the world, we, recently celebrating our independence, can certainly relate. The 275,000 people who live on the 700 islands of The Bahamas are predominantly of West African descent. Their ancestors were slaves brought to the islands to work cotton plantations until 1834, when Britain abolished slavery in all of its territories. Most white residents are descendants of the first English settlers who emigrated from Bermuda in 1647 to gain religious freedom. Some are also related to the Loyalists who fled the southern United States during the American Revolution. After the abolition of slavery, life in the islands changed drastically. The plantations were dissolved, and both blacks and whites turned to the sea or tried to farm.

Bahamians have a rich cultural legacy. Religion is an integral part of Bahamian life. Even the tiniest village has a church, sometimes two. The citizen's religious zeal and high regard for education are evident. Music is also very important. Here you can hear the elements of African rhythms, Caribbean Calypso, English folk songs and the Bahamian Goombay beat.

Its government is a bicameral parliamentary government composed of a Senate and a House of Assembly, a Prime Minister, an Attorney General, and an independent Judiciary, including a Supreme Court and a Court of Appeals. I'm sure we all recall seeing pictures of Bahamian policemen who pride themselves on their starched uniforms.

Mr. Speaker, I am pleased to give a bird's eye view of the people and culture of the Commonwealth of The Bahamas. As the world becomes smaller in terms of travel, I hope many of our citizens will visit our good neighbors to the South.

IN HONOR OF THE 50TH WEDDING ANNIVERSARY OF MARILYN AND CHARLES COX

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. COX of California. Mr. Speaker, there are a few occasions more joyous and historic in a family's life than a 50th wedding anniversary. On August 18, 1948, my parents, Marilyn Ann Miller and Charles Christopher Cox, were wed in Mahtomedi, Minnesota. They received a papal blessing, and it was propitious: a half century later, their bonds of matrimony are stronger than ever.

Fifty years of marriage have produced five Cox children: myself, identical twins Kathy and Anita, Terry, and Molly. And the Cox children have given our parents nearly 9 grandchildren (I say nearly, because my wife Rebecca is due in just over a month with our third child). They are Nick Hammer, Sean Hedgecock, Christina Ziton, Trevina Joseph, Charles Cox, Katie Cox, Alex Ziton, and Christopher Joseph. Along with the rest of our extended family, we will all join with our parents and grandparents on this memorable occasion to celebrate their golden anniversary.

As each of us in Congress knows, leadership in all walks of life means, more than anything else, setting an example. For us, their children and grandchildren, my parents have been a marvelous example. We owe our values, our education, our caring and commitment for others, and our sense of honor, duty, patriotism, and social justice to the leadership in all of these things that they showed us. Their most fundamental lesson to us was the way they have, and continue to, lead their lives.

At the close of the 20th century, men and women in their 70's, like my parents, can expect to live much longer than those of their parents' generation. What's more important, they can expect to be productive and to enjoy life far beyond what was possible even 20 years ago. This is what social scientists now call the ''second adulthood''—post-retirement years that extend for decades or more. As a result, we ''children'' are still counting on them to show us the way, even though their own parents' lives were necessarily very different. Well into adulthood, we're still learning, and still depending upon, our parents to help us lead our lives.

Mark Twain once remarked that he spent $25 to research his family tree, and then he had to spend $50 to cover it up. Not so for the Cox family. We're proud to celebrate our parents' 50th wedding anniversary on the floor of the House of Representatives, and in the pages of the CONGRESSIONAL RECORD. After all, our parents are a national treasure—and what better way to help them celebrate than to share the festivities with 250 million of their fellow taxpayers?

I know every one of my colleagues—particularly those from Minnesota, where our family was raised, and where my parents still live; from California, where my father was raised, and those citizens I am proud to represent; and from Virginia, Colorado, and Indiana, where the rest of the Cox grandchildren live—join me in wishing Marilyn and Charles Cox a splendid 50th wedding anniversary, and many more to come.

INTRODUCTION OF THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM AMENDMENTS OF 1998

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. GOODLING. Mr. Speaker, today I am introducing legislation that will reauthorize the Low Income Home Energy Assistance Act through the year 2001. The Low Income Home Energy Assistance Program (LIHEAP) provides heating and cooling assistance to almost 5 million low-income households each year, over 330,000 of which are in my home State of Pennsylvania.

Individuals and families receiving this vital assistance include the working poor, individuals making the transition from welfare to work, individuals with disabilities, the elderly, and families with young children. In fact, nearly 70 percent of families receiving LIHEAP assistance last year survived on a an annual income of less than $8,000, spending 18.5 percent of their annual household income on energy costs.

While States, local government, and the private sector have demonstrated their willingness to develop creative and effective programs to address energy assistance needs, it has been determined that these programs alone cannot meet the significant energy needs of low income families in our nation. LIHEAP has proved that a successful relationship between government, business, gas and electric utilities, and community-based organizations can and does work.

In addition to the basic energy assistance program, this legislation also extends the authorization for emergency energy assistance, home weatherization, the leveraging incentive program, and the Residential Energy Assistance Challenge Option (REACH). In order to find out more about how the REACH program is working, we ask the Comptroller General to conduct a study within the next two years on the effectiveness of this program. We also try to better define natural disasters and emergencies in the bill to speed assistance to individuals in the case of natural disasters and energy emergencies under the emergency energy assistance provisions of the Act.

Mr. Speaker, the Committee on Education and the Workforce plans to consider the LIHEAP program in the coming days. I invite Members of the House to join us in support of reauthorization of this important program.

INTRODUCTION OF THE COMMUNITY SERVICES AUTHORIZATION ACT OF 1998

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. RIGGS. Mr. Speaker, today I want to join with Chairman BILL GOODLING and others in the introduction of important legislation, the Community Services Authorization Act of 1998. This legislation reauthorizes the Community Service Block Grant program, and incorporates many positive changes into the program.

The Community Services Block Grant (CSBG) provides funds to States and local communities for activities designed to fight poverty and foster self-sufficiency. CSBG provides funds to 1,134 ''eligible entities''—mostly local non-profit Community Action Agencies in 96 percent of all counties. The community action network is doing a very effective job at addressing the needs of high-poverty communities throughout the nation, but this is not to say that we cannot continue to make improvements in these efforts. We can and should expect no less than excellence in this and all

other federal programs. Working together we can make improvements in CSBG and related anti-poverty programs that will improve services for the poor in each individual local community. I believe that this legislation moves us in this direction.

The activities of local programs under CSBG vary widely depending on the needs and circumstances of each local community. Common uses of funds include the coordination of programs and services for the poor, and the provision of emergency assistance in local communities. CSBG funds are also spent on education (including Head Start), employment, housing, nutrition, health, income management, and emergency services—filling gaps in programs that are specifically designed to provide these services.

Over the years I have visited ''CAP'' agencies in my District and I know of the important work that they do in helping families break the cycle of poverty. At a time when we are having great success in moving individuals off of welfare into the workforce—leading to self-sufficiency, it is vitally important to provide local communities with the resources and the flexibility to respond to individual local needs to help supplement this effort. Following are some of the highlights in our legislation.

Local Control. First, this legislation builds on the strengths of local flexibility, local authority, and especially on the strengths of the local tripartite boards that oversee the CSBG program in each local community. The unique structure of these boards—including the direct involvement of low-income individuals in the community—is key to the success of these local efforts. This legislation maximizes the role of the individuals that are to be served in programs assisted under CSBG, in the design and delivery of such services.

Linkages and Leveraging. We will continue to encourage development of effective partnerships between governments, local communities, and charitable organizations (including faith-based organizations) to meet the needs of impoverished individuals. In our legislation, we hope to encourage a broadening of the resource base for programs directed to eliminate poverty, so as to secure a more active role for private, religious, charitable, and neighborhood-based organizations in the provision of services. CSBG's more than $4 to $1 leveraging of every federal dollar invested is exemplary. We want to build on this positive record.

We also continue to stress the importance of local community action programs in filling in gaps and in crisis intervention—providing a true safety net in each local community. This is especially important in making our welfare reform efforts successful.

Accountability. While we don't want to tell States and local communities what to do, we do need to have a better understanding of how federal funds are spent and what types of services are provided. Under this bill we have included a requirement that the Department of Health and Human Services work with States and local eligible entities to facilitate the development of a performance measurement system to be used by States and local grantees to measure their performance in programs funded through CSBG. This builds on a voluntary performance measurement system begun by HHS several years ago called ''ROMA'', and would allow local communities to determine their own priorities and establish performance objectives accordingly. Each State and local eligible entity that receives CSBG funds would be required to participate in the performance measurement system by October 1, 2001. States would be required to annually prepare and submit a report to the Secretary on the performance results of the State and the local eligible entities.

Role Of Faith-Based And Other Neighborhood-Based Provders. The legislation recognizes the important role that private, neighborhood-based organizations, including faith-based organizations, play in the comprehensive delivery of services to individuals and families in poverty. Under the bill, we clarify that faith-based providers are eligible and important providers of services. We also encourage these organizations to have significant input into the design and implementation of the system.

Federal-to-State Formula. Because the formula in the Community Services Block Grant has been frozen in time since 1981, changes in poverty have not been reflected in the distribution of funds to States under the block grant program over the past 17 years. To address this concern, the bill includes a change in the federal-to-State formula, however only for funds that are appropriated in future years that exceed levels appropriated for CSBG in fiscal year 1999. In other words, if and when funding exceeds the level appropriated for CSBG in FY 1999, these additional funds would be distributed to States based on the formula that are contained in the original Economic Opportunity Act (EOA) based ⅓ on poverty; ⅓ on poverty; ⅓ on unemployment; and ⅓ on welfare.

New Uses Of Funds. Because CSBG is a very flexible block grant, we do not prescribe how funds in each local community must be spent. The bill does however include several new initiatives for which States and local areas may use CSBG funds. These new initiatives include: fatherhood and other community-based initiatives that are designed to strengthen the family and encourage parental responsibility; initiatives to strengthen and improve the relationship between local communities and law enforcement (which may include neighborhood and community policing initiatives); literacy initiatives (including family literacy initiatives); and youth development programs in high poverty communities (including after-school child care). The bill also prioritizes programs that are tied to welfare reform and that encourage self-sufficiency.

Finally, the draft bill retains existing discretionary programs established under CSBG, including the community economic development program that facilitates economic development initiatives in high poverty areas.

Mr. Speaker, the Community Services Authorization Act of 1998 is based in good public policy, and makes many positive changes to the Community Services Block Grant program. I invite Members of the House to join with me in support of this legislation, that will truly make a difference for individuals in need.

CONGRATULATING JEFFREY G. HAAS ON BEING NAMED OUTSTANDING PERFORMING ARTS TEACHER OF THE YEAR

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate Jeffrey G. Haas of Midland Park, New Jersey, on being named Outstanding Performing Arts Teacher of the Year at this year's American Teacher Awards in Los Angeles. This is an extraordinary national honor that recognizes that Bergen County is home to some of the finest teachers—and one of the best school systems—in America.

Mr. Haas is Director of Bands at Ridgewood High School, where he has held the post the past 10 years. During that time, the band program has grown from 50 students to more than 200. The program offers 12 musical ensembles, including the marching band, jazz ensemble, percussion ensemble and three curricular bands. The quality of musicianship and professionalism shown by his students throughout these groups is unmatched and a credit to his fine job in the classroom. Mr. Haas reminds me of ''Mr. Holland'' in the movie ''Mr. Holland's Opus.'' He is a dedicated and hard-working educator who goes beyond the call of duty time and time again. His students respond with amazing effort and performances.

Mr. Haas believes music should be an important part of every person's life and attempts to expose his students to as many musical experiences as possible. Through his ''guest artist'' program he brings local professional musicians into the classroom to work with his bands. Members of the New York City Opera Orchestra, professors at the Manhattan School of Music and Broadway pit orchestra musicians have all demonstrated their talents in his classroom. He has also developed an annual jazz festival in which professional jazz musicians work with students during a day-long clinic and perform for the public at an evening concert.

Mr. Haas has combined his band programs with other educational disciplines. For example, he designed a marching band show based upon Edgar Allan Poe's The Raven, featuring a color guard dressed in black, original music and a student dressed as Poe. To present the subject matter properly, he asked a teacher from the school's English Department to teach a class about the poem to all band members.

As evidence of the quality of his teaching, Mr. Haas's bands have played at Lincoln Center and Disney World, in Washington, D.C., and Boston and have toured Canada and southern California.

Mr. Haas has been a guest lecturer at the University of Massachusetts, Montclair State University, William Paterson University and West Chester University. He was recently elected president of the New Jersey chapter of the International Association of Jazz Educators and writes a regular column for Temp, the New Jersey Music Educators' Association magazine. He has served on the Education Committee of the John Harms Center for the Performing Arts and the New Jersey Performing Arts Center ''Jazz for Teens'' program. He

has conducted the All North Jersey Junior High Jazz Ensemble, the Rockland County (New York) All County Honor Band and the Bergen County All County Honor Band. He served as the associate director of the All American High School Band, which performed at the 1992 Democratic National Convention in New York.

Mr. Haas's talent is well recognized by his peers. Ridgewood High School Principal Dr. John Mucciolo said, ''There is no more creative, intelligent, and caring adult working with our young people.'' Murray Colosimo, Supervisor of Music for the Ridgewood Public Schools, called him ''one of our most deserving teachers.'' David S. Marks, Director of Bands at nearby Midland Park High School, said, ''We are proud that Mr. Haas is a member of our community.''

Early this year, Mr. Haas was selected one of 36 teachers from across the nation to be honored in this year's ''American Teacher Awards.'' sponsored by the Walt Disney Company. He was further honored at that event when fellow teachers and a 70-member panel of judges chose him as Outstanding Performing Acts Teacher of the Year.

Mr. Haas is a 1987 graduate of Syracuse University and holds a master's degree in music education from Columbia University.He taught one year at John Glenn High School in East Northport, New York, before coming to Ridgewood. A saxophonist, he has performed with Bob Hope, Vanessa Williams and other stars.

Mr. Speaker, I ask my colleagues to join me in extending our congratulations to Mr. Haas. As a former teacher, I truly admire and respect such a wonderful and dedicated educator. Teachers know that our chief goal is to touch the lives of our students. Mr. Haas has done that time and time again. This award is very well deserved.

TRIBUTE TO JACK AND JILL OF AMERICA, INC.

HON. JOSÉ SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Jack and Jill of America, Inc. for 60 years of service to the African-American community and the Nation.

Jack and Jill America, Inc. will hold its Thirty-Third Biennial National Convention in New York City on July 19–26, 1998. The theme for this convention is ''Building Bridges to the New Millennium.''

Mr. Speaker, Jack and Jill of America, Inc. was founded in 1938 by Marion Stubbs Thomas, who understood the need to create a social club for African-American children who were precluded, under Jim Crow laws, from participating in the social and recreational activities available to children during those times. It all began when she invited 20 women to a meeting in her Philadelphia home.

From the initial 20 families, today the organization has expanded into a national and international force with 40,000 mothers, fathers, and children in 220 chapters across the United States and in the Republic of Germany. With the expansion of the organization, the focus has broadened from simply addressing socialization to support for children's rights issues, education and community service.

Each chapter annually undertakes to design and implement a meaningful project which will meet the needs of the community in which they reside. This support is given both through economic funding, as a result of fundraisers and through direct service projects such as tutoring, adopting foster homes and hospices and sending care packages to African nations.

Mr. Speaker, Jack and Jill's National President, Sheryl Benning Thomas, strongly believes that it must continue to expand and she has worked with fervor during her tenure to open the door to new interest groups and to take on the challenge of raising the level of consciousness of the membership on issues of children's rights and needs for building awareness of the health needs among African-Americans.

Jack and Jill's advocacy for children is being supported by Walt Disney World through the presence of Tom Flewelyn, Director of Minority Diversity, who will attend the convention on Thursday, July 25, 1998 accompanied by Mickey and Minnie Mouse dressed in Kente Cloth to acknowledge the legacy and pride of this African-American organization.

The keynote speaker for Saturday night's banquet will be John H. Johnson, President and CEO of Johnson Publishing Co. of Chicago. The Distinguished Fathers award recipients are: John H. Johnson, Thomas Flewelyn and the late Reginald Lewis, founder and CEO of TLC Beatrice Company. The award is given for the first time ever to recognize the outstanding contribution and support of the fathers in Jack and Jill of America, Inc. This organization is truly about the vision, past, present and future of the African-American community.

Mr. Speaker, it is a privilege for me to honor the families and friends of Jack and Jill of America, Inc. I ask my colleagues to join in celebrating this milestone and acknowledging this outstanding organization for 60 years of accomplishment and service for the African-American community and the Nation.

TRIBUTE TO JOHN AND DOROTHY WITHERSPOON

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to John Ivory and Dorothy Mae Smith Witherspoon as they celebrate their 50th wedding anniversary. The Witherspoons have lived in Sumter County for 48 years and have raised an amazing family.

Mr. Witherspoon was born in Manning, South Carolina and attended Clarendon County Schools. He is the owner of John Witherspoon Carpentry/Cabinet Works Company and has been a master carpenter and cabinet maker for over 50 years. Mrs. Witherspoon was born in Summerton, South Carolina and graduated from Lincoln High School in Sumter, South Carolina. She is retired from the Campbell Soup Company but remains active in the community where she is active in School District #17's PTA, and is a member of the Christian Women's Association of Sumter and the South Sumter Resource Center Senior's Club.

Mr. and Mrs. Witherspoon are active members of the St. John Baptist Church. Mr. Witherspoon has been a Deacon for over 45 years and served as Chairman of the Deacon Board for 2 years. He served as Sunday School Superintendent for over 40 years, Chairperson of the Cemetery Committee, and a member of the Senior Choir for over 48 years.

Mrs. Witherspoon is a Deaconess, she has been President of the Missionary Auxiliary for over 10 years and is a member and secretary of the St. John Baptist Church Gospel Choir. They are also members of the Black River Missionary Baptist Association. Mrs. Witherspoon serves as President of the Deacon and Minister's Wives Alliance and is a Board Member of the Women's Missionary Auxiliary. Mrs. Witherspoon is Chairman of the Sunday School Convention's Board and Treasurer of the Deacons and Minister's Wives Alliance. Both John and Dorothy are 1997 graduates of the South Carolina Baptist Congress of Christian Education Teacher Certification program.

The Witherspoons have four children, twelve grandchildren, and ten great-grandchildren. They have remained active in their community throughout their marriage. Their dedication to their family and community are commendable. Mr. Speaker, I ask you to join me today in honoring Mr. and Mrs. Witherspoon as they celebrate their 50th year of marriage.

NAFTA: DEATH OF THE AMERICAN WORKING MAN AND WOMAN

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. LIPINSKI. Mr. Speaker, I rise today to speak of the injustice that NAFTA has brought upon the American working man and woman. We have lost hundreds of thousands of jobs since NAFTA's implementation in 1994, and the situation will only get worse unless NAFTA is amended or repealed.

During debate on NAFTA its supporters argued that American jobs wouldn't be lost to Canada or Mexico, only that jobs would be added to the American workforce. However, NAFTA has allowed American companies to send good, high paying American jobs to these countries, where they can take advantage of cheap labor. While this is good for the profit of these companies, it is destroying the labor workforce of this country.

A microcosm of NAFTA's ill effects can be seen at a General Motors plant in my district. According to the United Auto Workers' Local 719, over 500 jobs from the McCook GM Electro Motive Division have been sent to a plant in Mexico, and 1,000 jobs have been sent to Canada. Mr. Speaker, contrary to the claims of NAFTA's supporters, the American workforce has suffered, as witnessed in McCook, Illinois.

It is high time that Congress and the Administration put people ahead of profits. I urge my colleagues to end NAFTA now or witness the death of the American working man and woman.

MOURNING THE LOSS OF COMMUNITY LEADER AND FORMER TEMPLE MAYOR WILLIAM ''BILL'' COURTNEY

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. EDWARDS. Mr. Speaker, I rise today to share with members my memories of William R. ''Bill'' Courtney, a community leader in my 11th Texas Congressional District who recently passed away.

William Courtney, a former mayor of Temple and a special friend of mine, died July 3 at his home following a brief illness. Bill Courtney was a highly esteemed citizen, a man who earned the respect and admiration of those in political, civic, and religious circles. I want to share with the Members his many accomplishments and invaluable service to his community.

Bill Courtney was descended from a pioneer Central Texas family. He never forgot his Central Texas roots and his family and community always came first.

He served as mayor of Temple from 1976 to 1980. During those two terms as mayor he implemented a single-member district election system in Temple. He served as a member of the State Democratic Executive Committee and his political and legal counsel were much sought after.

Bill Courtney was a leading attorney in Bell County for 48 years. He was a senior partner in the law firm of Naman, Howell, Smith & Lee. He was an expert on real estate financing and belonged to many professional organizations including the American College of Mortgage Attorneys where he served as board member and president. In addition, he was a member of the State Bar of Texas, the American Bar Association, the Texas Bar Foundation, and the Bell-Lampasas-Mills Counties Bar Association.

He attended Temple public schools and Temple Junior College. He earned his B.B.A. from the University of Texas at Austin in 1948 and his law degree from the University of Texas Law School in 1950. Bill Courtney was a World War II veteran and served as a 10th Mountain Division infantry officer fighting in Italy.

He was a member of the Episcopal Church of Temple and served three terms as Vestryman and two terms as Senior Warden.

Bill Courtney viewed his community involvement as a sacred duty and a cherished honor. He served as a trustee of the Scott and White Memorial Hospital, president of the Temple Industrial Foundation, and chairman of the Temple Economic Development Corporation. He was a past vice president and director of the Temple Chamber of Commerce, and past president of the Central Texas Council of Governments, and the Cultural Activities Center.

He and his wife, Shirley, donated land for the Temple Ronald McDonald House. Recently, they donated more land to expand the house to provide more space for families to stay while loved ones are treated at the nearby hospital.

Up until the time that he passed away, Bill Courtney continued to work for his community. Last year he used the skill and expertise accumulated during three-quarters of a century to help bring a new Texas Veterans Nursing Home to Temple.

Within days of his death, Bill and I were actively working together to try to keep the state USDA offices in Temple. It does not surprise me that even in his last days on this earth, Bill Courtney was doing what he did his entire life—helping others.

Mr. Speaker, Winston Churchill once said, ''We make a living by what we get, but we make a life by what we give.'' Judged by that high standard, my dear friend, Bill Courtney lived life to its fullest.

His family and many friends will dearly miss Bill Courtney, but his spirit of caring for others will live on in all of us who were touched by his extraordinary life of service.

I ask Members to join with me in honoring the memory of Bill Courtney. Our thoughts and prayers go out to Shirley, his three sons, John Patrick, Joseph Sayles and David William and the rest of his family and friends.

INTRODUCTION OF H.R. 4143, THE GOLDEN GATE NATIONAL RECREATION AREA BOUNDARY ADJUSTMENT ACT

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. LANTOS. Mr. Speaker, the Golden Gate National Recreation Area (GGNRA) is a true national treasure. It provides open space and recreation in the midst of a densely populated urban area, and it is one of our Nation's most used national parks. I rise today to urge my colleagues to support legislation which would expand the boundaries of the GGNRA to include an additional 1,300 acres of land adjacent to existing GGNRA parkland.

Mr. Speaker, this legislation has bipartisan support and the support of the entire Bay Area Congressional Delegation. Joining me as cosponsors of this legislation are Congresswoman NANCY PELOSI, Congresswoman ANNA ESHOO, Congressman TOM CAMPBELL, Congressman GEORGE MILLER, Congresswoman LYNN WOOLSEY, Congressman PETE STARK, Congresswoman ELLEN TAUSCHER, Congresswoman BARBARA LEE, and Congresswoman ZOE LOFGREN.

H.R. 4143, the Golden Gate National Recreation Area Boundary Adjustment Act, will permit the National Park Service to acquire carefully selected natural areas in San Mateo County, primarily in the area in and around the City of Pacifica. National Park Service officials in the Bay Area conducted a boundary study to evaluate the desirability of including additional lands in and around Pacifica within the GGNRA. During the preparation of the Park Service study, a public forum was held to gather comments from area residents, and local input was reflected in the final study. The Pacifica City Council adopted a resolution endorsing the addition of these areas to the GGNRA. The GGNRA and the Point Reyes National Seashore Advisory Commission also urged the addition of these new areas to the park.

H.R. 4143 expands the boundary of GGNRA to permit the inclusion of lands directly adjacent to existing parkland as well as nearby lands along the Pacific Ocean. The upper parcels of land offer beautiful vistas, sweeping coastal views, and spectacular headland scenery. Inclusion of these lands would also protect the important habitats of several species of rare or endangered plants and animals. The legislation would also offer improved access to existing trails and beach paths and would protect important ecosystems from encroaching development.

The GGNRA Boundary Adjustment Act would also permit the inclusion of beautiful headlands along the coast into GGNRA. The coastal headlands of San Pedro Point, the Rockaway Headland, Northern Coastal Bluffs, and the Bowl & the Fish would be included in the GGNRA under this legislation. These parcels would offer park visitors scenic panoramas up and down the coast, views of tide pools and offshore rocks, sweeping views of GGNRA ridges to the east, as well as additional access to the Pacific Ocean.

Mr. Speaker, throughout my service in Congress, I have had a strong interest in preserving the unique natural areas of the Peninsula. In the early 1980's, I fought for the inclusion in GGNRA of Sweeney Ridge, which includes the site from which Spanish explorers first sighted the San Francisco Bay in the 18th century. The ridge affords a unique panorama of the entire Bay. The Interior Secretary at that time, James Watt, refused to include Sweeney Ridge in the GGNRA. In 1984, in the face of a long and hard battle waged by myself and former Congressmen Leo Ryan and Phil Burton, the Reagan Administration acquiesced, and Sweeney Ridge became a part of our protected natural heritage.

In the early 1990's, I authored and secured passage of legislation to add the Phleger Estate to the GGNRA. The Phleger Estate includes over a thousand acres of pristine second-growth redwoods and evergreen forests adjacent to the Crystal Springs watershed in the mid-Peninsula. The Federal Government paid one-half of the cost of acquiring the Phleger Estate. The other half of the cost was paid for through private contributions raised by the Peninsula Open Space Trust (POST). My distinguished colleague, Congresswoman ANNA ESHOO, played a key role in winning congressional approval of the Federal Government's share of the purchase. The Phleger Estate is now part of the GGNRA and it has become an important hiking and recreation area on the Peninsula.

Mr. Speaker, preserving our country's unique natural areas must be one of our highest national priorities, and it is one of my highest priorities as a Member of Congress. We must preserve and protect these areas for our children and our grandchildren today or they will be lost forever. Adding these new lands in and around Pacifica to the GGNRA will allow us to protect these fragile areas from development or other inappropriate uses which would destroy the scenic beauty and natural character of this key part of the Bay Area. I urge my colleagues to support passage of H.R. 4143, the Golden Gate National Recreation Area Boundary Adjustment Act.

MATAGORDA POLICE 100 CLUB

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. PAUL. Mr. Speaker, when we go on the August break I will attend a number of events back in my district and one which I will be very proud to attend will be the Matagorda County 100 Club Awards banquet. This group provides assistance to the families of law enforcement personnel who are slain on the job.

I can think of no better example of how people can freely work together to provide assistance to those who are in need, and who are most deserving of the help of their neighbors. Officers slain in duty give their lives to protect the liberties of the citizens. Our Nation has a strong tradition of local law enforcement, a tradition which would fail without the courage and willingness of men and women to put their lives on the line by working as state and local law enforcement agents.

Once again, Mr. Speaker, I want to take this opportunity to commend the 100 Clubs and the brave men and women who serve as local law enforcement agents.

TRIBUTE TO LUTHER H. BATTISTE, III

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to my good friend Luther H. Battiste, III, as he retires from the City Council of Columbia, South Carolina.

In 1983 he was elected to represent the newly created City Council District One. During his 15 years on the Council, he was reelected three times and served two terms as Mayor Pro Tempore. Mr. Battiste is one of the first two African Americans to serve on the Columbia City Council.

During his tenure, he spearheaded the effort to acquire and renovate Eau Claire Town Hall, strongly supported the annexation of the Greenview, Fairwold and Belvedere communities, and initiated the idea for the establishment of public housing on Arsenal Hill, that project has become a national model for quality and innovation. He developed the concept of utilizing the park system for music concerts, chaired the committee that produced the implementation of the Congaree Vista Zoning Overlay, and devised the policy banning City of Columbia investments in South Africa. He also co-sponsored the establishment of the first City of Columbia Minority Business Enterprise Program, strongly opposed the proliferation of community care homes and cellular towers and strongly advocated the preservation of city neighborhoods and the establishment of programs to stimulate middle income housing.

He has been praised by many in his community, and described as ''one of the most articulate and thoughtful members of [the] Council.'' He leaves behind a legacy in city neighborhoods, housing, cultural enhancement, downtown revitalization, and equal access and opportunities.

Mr. Speaker, I ask you to join with me in wishing my very good friend Luther J. Battiste, III, well, as he leaves the Columbia city council.

INTRODUCTION OF THE NATIONAL PARKS AIR TOUR MANAGEMENT ACT OF 1998

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. DUNCAN. Mr. Speaker, I am pleased to introduce today the National Parks Air Tour Management Act of 1998.

I am joined in the introduction of this legislation with a number of distinguished colleagues.

These Members include the Chairman of the Transportation and Infrastructure Committee, BUD SHUSTER from Pennsylvania, the Chairman of the Resources Committee, DON YOUNG from Alaska, the Chairman of the Agriculture Committee, BOB SMITH from Oregon, the Chairman of the National Parks Subcommittee, JIM HANSEN from Utah, the Ranking Member of the Transportation Committee, Mr. OBERSTAR, the Ranking Member of the Aviation Subcommittee, Mr. LIPINSKI, as well as Mr. ENSIGN and Mr. GIBBONS from Nevada.

Mr. Speaker, this very distinguished group of Members worked tirelessly to get us to this point today.

This legislation represents an agreement which strikes a balance between air tour and environmental concerns, Native American interests, and jurisdictional areas between the Federal Aviation Administration and the National Park Service.

The bill seeks to promote safety and quiet in national parks by establishing a process for developing air tour flight management in and around our national parks.

This legislation ensures that the FAA has sole authority to control airspace over the United States and that the National Park Service has the responsibility to manage park resources.

These two Agencies, under this legislation, will work cooperatively in developing air tour management plans for air tour operators and will both share the fundamental responsibility to ensure that air tours over national parks and tribal lands are conducted in a safe, efficient, and unintrusive manner.

Mr. Speaker, let me also acknowledge Senator JOHN MCCAIN for his leadership on this issue. I know that Senator MCCAIN has been active on this for several years, has chaired a number of Senate hearings, and is moving similar legislation in the other body.

There has also been a number of oversight hearings here in the House. Mr. OBERSTAR, former Chairman of the Aviation Subcommittee held a joint hearing with the National Park Subcommittee in July of 1994.

Last year, Chairman HANSEN and I held a field hearing in St. George, Utah. We heard from a number of very impressive witnesses representing different views and opinions.

At that time, it appeared that it would be extremely difficult to be able to reach a consensus on how to handle air tours over our national parks.

However, with resolve and determination, differences have been worked out and we have crafted legislation that is acceptable to all concerned.

And finally, Mr. Speaker, I would like to thank the entire National Parks Overflights Working Group for their dedication and cooperation in the development of this legislation.

This Working Group was selected by the Administration last year to develop a plan for instituting flight management over national parks.

For more than a year, working group representatives of the air tour, environmental, and Native American communities—along with the Federal Aviation Administration and the National Park Service negotiated.

A number of meetings were held here in Washington as well as other parts of the Country.

This group developed a basic framework for the management of air tours at national parks and recommended that Congress capture this approach in legislation.

The Working Group consists of Mr. Charles Maynard from Sevierville, Tennessee and the Friends of the Great Smoky Mountains. Mr. Alan Steven from Twin Otter International located in North Las Vegas, Nevada.

Mr. Chip Dennerlein from the National Parks and Conservation Association. Mr. Tom Chapman representing the interests of general aviation.

Mr. Andy Cebula from the National Air Transportation Association. Mr. David Chevalier from Blue Hawaiian Helicopters.

Mr. Richard Deertrack from Taos, New Mexico representing the Native American interests. And, Mr. Boyd Evison, former National Park Superintendent and Regional Director.

Mr. Speaker, all of these gentlemen provided the expertise, insight, and wisdom that helped us develop this consensus legislation.

This is an outstanding bill which will ensure that ground visitors and the elderly, disabled and time-constrained traveler may continue to enjoy the scenic beauty of our national parks for generations to come.

A TRIBUTE TO MR. JOHN KLINE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to an outstanding gentleman from my district, who has dedicated many hours to the betterment of his community, Mr. John Kline.

John Kline, a resident of the Clearing community, has dedicated many long hours in the past three years to working in the garden outside the Clearing Branch of the Chicago Public Library. The garden holds a special significance both to the community and myself because it uniquely displays plants and wildflowers native to the region. Mr. Kline is dedicated to the betterment of his neighborhood and is consistently in tune with the interests of the members of the community.

Mr. Kline's plight to restore native plants and wildflowers to the environment stems from his desire to give people an idea of what the land looked like when he was young. Mr. Kline cultivates such native wildflowers and plants as: wild phlox, white aster, wild strawberries,

and native violet, the Illinois state flower. Bringing this native vegetation back to an environment that is now urban, has not been an easy task. For example, Mr. Kline has had to replace the garden's urban soil. Mr. Kline has upheld his strong determination to complete his vision for the garden, diligently researching native plants and remaining patient with the garden. Mr. Kline is growing non-native flowers such as tulips to provide some color to the garden, while he is waiting for the soil to become rich enough for a complete native garden.

Mr. Kline's hard work and dedication to the 225 square foot library garden was featured in a recent article in the Chicago Tribune. Mr. Kline has also received the Library Volunteer Recognition Award in 1996 and 1997 for his hard work and numerous volunteer hours.

I hope that you will join me in recognizing Mr. John Kline's strong dedication to the betterment of the people of his community, as well as the land on which they live.

ANNIVERSARY OF THE TRAGIC PORT CHICAGO EXPLOSION: OPPORTUNITY TO CLEAR THE NAMES OF CONVICTED SAILORS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. MILLER of California. Mr. Speaker, today is the 54th anniversary of the terrible explosion and loss of life at Port Chicago Naval Weapons Station during World War II. A number of survivors, their families and community supporters are gathering today at a memorial on the site of the explosion to mark the anniversary and continue the effort to clear the names of sailors that were wrongly convicted of mutiny after refusing to resume loading munitions in the aftermath of the tragedy.

I was proud to write the law in 1992 that established a National Memorial at the site of the explosion and where the ceremony today is being held.

A little over a half century ago this site was a vital supply center during the crucial phase of World War II in the Pacific. From this site, the munitions that liberated much of Asia from totalitarianism were shipped, and the history of the world was changed.

But as we know, we remember Port Chicago today for another reason as well. Fifty-four years ago tonight, one of the largest prenuclear explosions in world history occurred right here. Two supply ships, a supply train, and hundreds of brave and dedicated sailors were vaporized. The devastation was unparalleled in the history of World War II here in the United States with the singular exception of Pearl Harbor.

Today, most of the scars of WWII have healed, and from the ashes of that war a new Asia has arisen. But not all the scars are healed.

For several years, as many of you know, I have been leading an effort, along with the help of our colleague Representative PETE STARK and our former colleague Ron Dellums, to close the books on the one remaining issue in the Port Chicago story: purging the convictions of the sailors who did not return to ship loading operations immediately following the explosion.

Those sailors were neither traitors nor deserters, as some have suggested. They sought the same post-traumatic leave as was allowed their white officer counterparts—leave they were denied because of their race. They sought remediation of the unquestionably hazardous conditions involved in loading the ships which undoubtedly contributed to the events leading to the explosion, including the dangerous competition among loading crews provoked by officers.

Now, along with 40 or our colleagues in the House of Representatives, I am seeking the personal intervention of President Clinton to clear these records. As many of you know, the Navy has already acknowledged that race was an important factor in many aspects of life in the Navy and at Port Chicago in 1944. Their race denied black sailors the opportunity to serve in combat situations. They were assigned to loading operations exclusively because of race, and they were subjected to hazardous conditions in those loading operations because they were black. And ultimately, they were denied equal treatment from the Navy after the explosion solely because of their race.

Their convictions were wrong because they resulted from a system that the highest military officials of this nation now acknowledge was racially biased against black people. The time has long passed for these convictions to be overturned. As the San Francisco Chronicle editorialized on March 1 of this year:

> The United States should be a strong enough country to acknowledge that it makes mistakes, especially in the fervor of a world war, and its harsh judgment of these men was indeed a mistake.

That is why the State Legislature unanimously voted to ask President Clinton to intervene: when race taints one aspect of an issue, when it creates the context in which a condition exists, it is a factor in what results from those conditions. That is why these convictions must be expunged.

Whenever I speak out on behalf of the Port Chicago sailors, there is always someone who writes to criticize my efforts. But recently, someone wrote with another perspective that I want to share with you today, a man in Rancho Mirage, California, whose late uncle, a long-time Navy man, was severely injured by the Port Chicago explosion. Here is what he wrote:

> [I]t certainly is understandable that those who were loading the ammunition and who were treated so shabbily by their superiors (almost as if they were completely expendable fodder) would definitely not want to go back into the situation. I wouldn't either. These men deserve to have their names cleared and their dignity restored. I don't doubt that my uncle would have wanted the same thing.

So, on this 54th anniversary on this historic tragedy, let us both recall the bravery and sacrifice of those who served and those who died here at Port Chicago in pursuit of peace and justice. And let us include a prayer for those who served here and who still seek justice from the government they risked their lives to defend.

I will continue my efforts to secure a fair hearing and justice for the sailors of Port Chicago, and their families and survivors, and with the support of the survivors, their families, the families of the victims and the community at large we will secure that justice that has eluded these men for a half century.

THE FOOD SAFETY ENFORCEMENT ENHANCEMENT ACT OF 1998

HON. JOHN ELIAS BALDACCI

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. BALDACCI. Mr. Speaker today I, along with a host of my colleagues, am introducing the Food Safety Enforcement Enhancement Act of 1998. I believe that one of this government's fundamental responsibilities is ensuring that Americans have the safest food possible.

The recent outbreaks of E. coli across the country have caused illnesses and at least one death. A woman in her 90s from Washington County, Maine, died after becoming infected.

The outbreak has shaken the confidence of American consumers. Americans are stunned when they learn that the Secretary of Agriculture does not have the authority to demand a recall of contaminated meat. The Secretary cannot impose civil fines on a company that knowingly or repeatedly violates food-safety laws.

Consumers, farmers and ranchers are all asking that more be done to prevent food-borne contamination and that something be done to stop the spread of contaminated meat once it is discovered.

The legislation, developed with the United States Department of Agriculture, and introduced as a companion to a bill sponsored by Senator HARKIN, would give the Department some common-sense powers.

It requires notification of the USDA when contaminated meat or poultry products are discovered. It gives the Secretary the authority to recall contaminated meat and poultry as soon as it is discovered. It also gives the Secretary the authority to levy civil penalties on slaughterhouses and processors for violations of food safety laws.

I view this as the beginning of a process to identify ways to foster improvements in the meat and poultry food chain that can lead to improved public safety, enhanced consumer confidence and acceptance by producers, processors and consumers of their shared responsibilities in ensuring that Americans continue to enjoy the safest and most abundant food supply in the world.

AFFORDABLE HOUSING SHORTAGE AND FEDERAL MORTGAGE PREPAYMENTS

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. SABO. Mr. Speaker, I rise today to express my serious concerns about the critical shortage of affordable housing across our country and its devastating impact on a growing number of people—particularly in my home city of Minneapolis and in the Twin Cities metropolitan area. The Twin Cities have a rental housing vacancy rate of less than 2 percent—5 percent is considered full occupancy.

The lack of sufficient new production of affordable rental housing is now being exacerbated by the increasing number of federally-subsidized mortgages that are being prepaid.

This privately-owned rental housing was built under the Department of Housing and Urban Development's section 236 and 221 programs. In exchange for Federal mortgage insurance or interest subsidies, owners agreed to restrict the rents that could be charged on units in the building as long as the mortgage was insured or subsidized by HUD.

When owners choose to terminate these Federal assistance contracts, the tenants are faced with the prospect of losing their homes because their rents may soon become too expensive for them to afford. After a federally assisted mortgage is prepaid, residents are commonly faced with a dramatic increase in rent—often of $300 per month or more.

To add further stress for tenants in this difficult situation, current Federal law requires that a building owner who intends to prepay a section 236 or 221 mortgage may provide only 30–60 days notice to tenants. Clearly, this is a very short period of time for anyone to find a new home. It is an even greater problem for low-income people who face an especially tight housing market. They deserve as much time as possible, and I believe the Federal Government should require a 1-year notice for these prepayments. By not doing so, we jeopardize the already inadequate affordable housing supply in the Twin Cities and the nation.

Today, Congressman VENTO offered an amendment to the FY99 VA/HUD Appropriations bill that would have required owners who intend to prepay a federally-subsidized mortgage on a rental property to give 1 year's notice to residents as well as to State and local authorities. Although the State of Minnesota has enacted such a requirement, it is preempted by Federal law.

While it would not alone address the growing shortage of affordable housing, a 1-year notice housing requirement for Federal mortgage prepayments would be an important first step to help at-risk tenants make a difficult transition. It may even provide the time necessary for state, local and non-profit organizations to work with tenants and owners to preserve the affordable rental housing units.

I am disappointed that Congressman VENTO's amendment was not approved. However, I am committed to working with him and others to maintain and improve our country's affordable housing stock. I will also continue to work with my colleagues on the Appropriations Committee to establish a 1-year notice on Federal mortgage prepayments. It is a simple, but significant step in preserving affordable housing in Minnesota and the Nation.

HUD, VA, AND INDEPENDENT AGENCIES BILL (LEACH AMENDMENT)

HON. RUBÉN HINOJOSA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. HINOJOSA. Mr. Speaker, yesterday when we voted on the rule under which we are currently considering this legislation, the VA–HUD Appropriations Act, and specifically the Leach amendment, I voted against it. The process has been circumvented and I do not agree with that.

This is about more than process, however. It is ultimately, and more importantly, about people in need being abandoned—whether we help those who are disadvantaged, or whether we turn our backs on them.

(The Center on Budget and Policy Priorities says the number of poor families receiving assistance each year will be reduced by up to 69%.) I cannot and I will not be a party to such a blatant wrong aimed directly at those who are most in need—low income families and individuals, including the elderly and persons with disabilities.

You'll get no argument from me that resources are scarce, and it is for precisely that reason I stand here today and say: Do in your heart what you know is right—do not jeopardize public housing assistance for poor and low-income working families. It is unfair. It is unjust. It is unconscionably wrong.

IN RECOGNITION OF THE 150TH ANNIVERSARY OF UNUM CORPORATION

HON. THOMAS H. ALLEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. ALLEN. Mr. Speaker, I would like to congratulate UNUM Corporation, headquartered in Portland, Maine, on its 150th anniversary. UNUM was founded as Union Mutual Life Insurance Company on July 17, 1848, which makes UNUM one of the 10 oldest insurance companies in the United States. UNUM has pioneered the development of long term disability as an insurance product and has continued its leadership and innovation with the creation of long term care, group life, employee benefit and other insurance and reinsurance products.

UNUM's leadership in the insurance business and its importance to Maine's economy is obvious. But what really distinguishes UNUM from other companies, and what really deserves recognition, is its dedication to UNUM employees. UNUM provides more than a good job with good pay; it provides employees with a family-friendly workplace, and serves Maine and other states in the U.S. as a good corporate citizen.

UNUM has received several awards recognizing its dedication to its employees. UNUM was named as one of the ''100 Best Companies to Work for in America'' by Fortune magazine; among the ''100 Best Companies for Working Mothers'' by Working Mother magazine; as one of the ''Top 30 Family-Friendly Companies'' by Business Week; and among the ''Top 50 Employers'' by Equal Opportunity magazine. It can certainly be said that UNUM is one of the country's most progressive employers.

UNUM is also a valued member of the communities in which it does business. To celebrate its 150th anniversary, UNUM planned a series of community activities that culminate today in a ''Day of Sharing.'' This past Monday, UNUM Chairman and CEO James Orr rang the opening bell at the New York Stock Exchange. UNUM sponsored a demonstration of wheelchair rugby in front of the Exchange. The event also included a demonstration of games and the coaching of children with disabilities. UNUM's day-long effort, ''A Day of Sharing, A Lifetime of Caring,'' involved more than 3,400 UNUM employees working on 270 community service projects which will touch the lives of over 1.2 million people in six countries. UNUM truly is an outstanding corporate citizen.

Mr. Speaker, UNUM is a business leader in the field of insurance, an employee and family-friendly employer, and a valued member of the community. I am extremely pleased and proud to have UNUM Corporation's headquarters in my district in the State of Maine. On behalf of the people of Maine, and all the communities that UNUM serves, I congratulate UNUM on its 150 years of service and wish it another 150 years of success.

TRIBUTE TO ZEDEKIAH LAZETTE GRADY

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to the Right Reverend Zedekiah Lazette Grady of Birmingham, Alabama. Mr. Grady is a pillar of the community who has served his church and family tirelessly.

Bishop Grady has served the African Methodist Episcopal Church well over forty years as a distinguished pastor, capable administrator, civic organizer, ecumenical leader, social reformer, teacher, presiding elder and a Christian gentleman. He served as pastor of Bethel African Methodist Episcopal Church in Laurens, South Carolina; Walnut Grove African Methodist Episcopal Church in Ware Shoals, South Carolina; Bethel African Methodist Episcopal Church in Anderson, South Carolina; Rocky River African Methodist Episcopal Church in Antreville, South Carolina; St. Stephen African Methodist Episcopal Church in Georgetown, South Carolina; and Morris Brown African Methodist Episcopal Church in Charleston, South Carolina.

In addition to the above pastorates, Bishop Grady served as the Presiding Elder of the historically rich Edisto District of the Seventh Episcopal District South Carolina Conference. Under his leadership, membership in the District increased ten percent a year and the number of pastoral charges increased from 24 to 35.

In 1992, Bishop Grady was elected the 111th Bishop of African Methodist Episcopal Church and was assigned to the Sixteenth Episcopal District, which included work around the world. In 1996, he was assigned to the Ninth Episcopal District headquartered in Birmingham, Alabama.

Bishop Grady's civic and community service has also been extensive. He was a key negotiator in the hospital and garbage worker strikes of the late 1960s in Charleston, South Carolina. He has served as Chairman and Vice-President of the South Carolina Juvenile Parole Board and was a member of the Charleston Community Race Relations Committee and the Charleston County Housing Authority. He is a member and past president of the A.M.E. Ministerial Alliance and Interdenominational Ministerial Alliance and has been a delegate to the World Methodist Conferences four times. Bishop Grady is married to the former Carrie Etta Robertson of Winnesboro, South Carolina. They have four children and two grandchildren.

Mr. Speaker, I ask you to join me today in honoring the Right Reverend Zedekiah Lazette

Grady for his outstanding work as a devoted minister and community leader. During his life, he has been a role model of commitment to the church and his family.

CAPTAIN TERRANCE M. EDWARDS: A CREDIT TO THE UNITED STATES COAST GUARD

HON. FRANK A. LoBIONDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. LoBIONDO. Mr. Speaker, I rise today to honor a United States Coast Guard officer who has made a difference in the lives of many people: Captain Terrance M. ''Casey'' Edwards, Commanding Officer of the U.S. Coast Guard Training Center in Cape May, New Jersey. After twenty-eight years on active duty, Captain Edwards is beginning a well-earned retirement.

I am proud to say that Captain Edwards embodies the finest principles of a commissioned officer, and reflects well on the Coast Guard spirit of Semper Paratus. He is a leader whose commitment and dedication has made the Cape May Training Center synonymous with excellence. I have no doubt that the men and women who graduated from the Training Center during his command are among the most well-trained and prepared in the ranks of the Coast Guard.

Captain Edwards' decorations attest to his outstanding service. He is a three-time recipient of the Coast Guard Commendation Medal, a two-time recipient of the Coast Guard Achievement Medal, and has been awarded the Meritorious Service Medal. But there is more to Captain Edwards than just medals; there is a story of his maximum effort and considerable achievement.

A 1970 graduate of the U.S. Coast Guard Academy, Captain Edwards' career has taken him from the Atlantic Ocean, aboard the USCGC *Dauntless,* to command of a LORAN station in Okinawa, where he helped maintain a homing signal for vessels traveling on the high seas of the Pacific.

He has served with distinction as an attorney assigned to several Coast Guard legal billets, during which time, it should be noted, he represented clients before the United States Supreme Court. In recognition of his outstanding legal service, Captain Edwards was appointed to the Coast Guard Court of Military Review by the Secretary of Transportation, and also served as an appellate judge from May of 1992 to June of 1994. It can be rightly said that justice was indeed served by this fair and judicious man.

Captain Edwards has also looked after the physical well being of Coast Guard personnel in his roles as President of the Coast Guard Formal Physical Evaluation Board and Chief of the Physical Disability Evaluation Division.

Captain Edwards, on behalf of the many nervous recruits who left Cape May confidently ready to serve, on behalf of a community that will dearly miss your many positive contributions (and friendly smile), on behalf of the United States Congress, I wish you good luck in the future and calm seas ahead.

PERSONAL EXPLANATION

HON. SUE MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mrs. MYRICK. Mr. Speaker, last night, I was unavoidably detained and as a result missed rollcall vote No. 289.

Had I been present for this vote, I would have voted ''no'' on the amendment.

IN MEMORY OF SHELBY DUPREE PITTS

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to pay my respects to a loving husband, father, grandfather and prominent Dallas oil company executive—Mr. Shelby Dupree Pitts, who died on May 18, after a long and valiant battle with cancer.

Mr. Pitts was born on April 12, 1915, in Wesson, Mississippi, the second of three sons born to Mr. and Mrs. John Lloyd Pitts. He attended Lincoln County, Mississippi public schools where he was class president his sophomore, junior and senior years. At Copiah-Lincoln Junior College, he was elected State President of the Hi ''Y'' Clubs of Mississippi. In 1936, he joined Nu-Enamel Paint Company, advancing rapidly to Division Sales Manager for the New England states. He volunteered for the U.S. Navy in July, 1941, and served as public speaker attached to the U.S. Navy Public Relations office in Chicago. After World War II, he remained in Chicago where he organized the Wesson Houseware Products Company which sold household chemicals throughout the United States. He married Mary Elizabeth Tillman, of Hazelhurst, Mississippi, on April 20, 1947.

After investing in oil and gas drilling ventures for several years with his brother, Frank Pitts, he became a co-owner and Senior Vice President of Exploration Surveys, Inc., an international geophysical exploration company. When Exploration Surveys, Inc. was sold to U.S. Industries in 1969, Mr. Pitts organized his own independent oil and natural gas production business, Natural Gas Finders, Inc. Along with his brother, Mr. Pitts became co-owner and Chairman of the Board of Dallas Production Inc., an oil and gas operating company which grew to operate more than 1,000 oil and natural gas wells in eight states.

An active member of the Texas Independent Producers and Royalty Owners Association (TIPRO), Shelby organized the TIPRO Explorers group in 1976. Members of the Explorers group were required to contribute a fixed and substantial dues amount each year to provide a firm financial base for the organization. Mr. Pitts served TIPRO several years, successively as a Vice President, Membership Chairman, Secretary, President, Chairman of the Board and as a member of the Executive Committee. His work with TIPRO earned him four Distinguished Service Awards and in 1994 he received TIPRO's highest honor, the ''Mr. TIPRO'' Award.''

As a long time member of the Dallas Petroleum Club, Mr. Pitts was honored by being selected to the Dallas Wildcat Committee, a select group of 100 persons affiliated with the Petroleum Club. In 1989, he started DSC Incorporated, a specialty chemicals company which provides unique drilling fluid additives for the oil industry. In addition, to his many oil industry activities, Mr. Pitts was a member of the Dallas Council on World Affairs, a Director of the Dallas Opera, Director of the Baylor University Medical Center Foundation, Dallas, and a Director of the Copiah-Lincoln Junior College Foundation, which also elected him as Alumnus of the Year in 1976. He was a Paul Harris Fellow of Rotary International and a member of the Bent Tree Country Club.

Mr. Pitts is survived by his wife of more than 51 years, Mary Elizabeth Pitts of Dallas; his daughter, Pamela Elizabeth Lane and her husband Bruce Lane, Jr., Dallas; his daughter-in-law, Dawn Pitts, Jackson, Mississippi; and four grandchildren, Justin Rutherford Lane, Holly Elizabeth Lane, Cerissa Dawn Pitts and Natalie Michelle Pitts. He is also survived by two brothers, L. Frank Pitts, Dallas; and Troy N. Pitts, Wesson, Mississippi.

Mr. Speaker, Shelby Pitts will be missed by his family, many friends and business associates throughout the United States and in many foreign countries. As we adjourn today, let us do so in honor of and respect for this great American—the late Shelby Dupree Pitts.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999

SPEECH OF

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1999, and for other purposes:

Mr. SCHUMER. Mr. Chairman, I rise in support of the gentleman's amendment and want to thank him for bringing it to the floor.

In 1996 we amended the Anti-Terrorism Act precisely to help families like the Flatows. Now we find that this law is under attack and the Flatows are being made to suffer again. But this time it is not because of Iran, it is because our own State protected Iranian assets right here in the U.S., right here in Washington, D.C. This is money that could easily be used to take yet one more innocent life.

Mr. Chairman, that is unconscionable.

Provisions in the Anti-Terrorism Act allow Americans to sue governments of state-sponsored terrorism for damages, the Flatows have done that. The courts ruled in their favor and judged they should be compensated.

Now its time for Iran to pay up.

We must send a message to Iran that our own internal divisions will not hold us hostage against executing justice. We must also send a message to the Flatows and other families to let them know the government is on their side. That is why I urge all my colleagues to vote for this amendment.

THE MASSACRE OF THE E-RATE CONTINUES

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 17, 1998

Mr. OWENS. Mr. Speaker, the massacre of the infant E-Rate continues. Certain greedy corporations have chose to persecute and betray the children of America by denying them vital access to education technology in their schools and libraries. After the Telecommunications Act of 1996 enriched these giant corporations by removing certain regulations and allowing an unprecedented increase in their profits, MCI and others have chose to renege on the deal. The telecommunications corporations gave their word that they would support an earmarking of a portion of the Universal Access Fund just for Schools and Libraries. Now corporations and misguided political leaders have forced the Federal Communications Commission to cut the original funding goal by fifty per cent. On behalf of the 30,000 schools and libraries that applied for funding, and all of the children of America we demand that full funding for the E-Rate be restored immediately. The children of America have a message for corporations like MCI:

THE E-RATE KILLER

MCI
Wants E-Rate to die
Children cry
Big shots lie
Pigs kidnap the sky
MCI
Wants E-Rate to die
Deadbeat dinosaur
Monster Corporate Idiots
MCI
Never shy
Greedy grinch
Stealing all the pie
MCI
With justice no civil tie
MCI
Filthy sty
In the star spangled eye
MCI
Wants E-Rate to die
MCI
Makes children cry.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999 and for other purposes:

Mr. STARK. Mr. Chairman, I rise to support the Lowey amendment to the FY 99 Treasury-Postal Appropriations bill which would require that Federal Employees Health Benefits plans cover prescription contraception just as they cover other prescriptions.

The federal program should be a model for private plans and, as an employer, the federal government should provide this basic health benefit for women and their families insured through FEHB plans.

However, most FEHB plans limit coverage of contraception, and in some cases cover only one method of prescription contraception, despite the fact that participating plans overwhelmingly cover prescription drugs and clearly recognize them as a key health benefits.

Even worse, 10% of plans have no coverage of contraceptives—that is, they fail to cover any of the top five leading reversible contraceptive methods (oral contraceptives, diaphragm, IUD, Depo-Provera, and Norplant.

The inadequacy of contraceptive coverage through FEHB plans is clear. A woman covered by the an FEHB plan may be forced to choose a contraceptive method that is not best suited for her medical needs. While there is near universal coverage of sterilization by FEHB plans and reasonable good coverage of oral contraceptives, the percentage of plans covering other specific reversible methods varies dramatically. A total of 88% of plans cover oral contraception, yet only 28% cover the IUD. Thus, plans often do not afford a woman the option of non-hormonal contraception or the choice of the birth control method that may be best suited for her medical circumstances.

Some of our colleagues intend to make a spectacle of this issue on the floor. Meanwhile, the health and safety of women seeking contraceptive coverage through their FEHBP is endangered at the hands of the conservative majority.

We must not allow this last-minute pandering to the right wing at the expense of women enrolled in FEHB plans, nor must we allow the conservative majority to dictate the birth control methods used by federal employees and their families.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999

SPEECH OF

HON. JAMES A. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes:

Mr. LEACH. Mr. Chairman, the Exchange Stabilization Fund has been an essential tool for the management of international monetary policy for over 60 years, having served as every Administration's chief weapon in defending the dollar.

The ESF is the U.S. Government's only instrument providing the means for a rapid and flexible response to international financial disruption which can impact adversely on the U.S. economy. The ESF provides a powerful and flexible means for the Secretary of the Treasury to support our obligations in the IMF, especially those concerning orderly exchange arrangements and a stable system of exchange rates.

Any attempt to cripple the ability of the U.S. to use the ESF to respond to fast-moving financial crises, as this amendment does, would pose a very serious threat to the U.S. economy and our ability to maintain a strong and stable dollar—with all of the benefits that affords us.

Consequently, this amendment is strongly opposed by the Department of the Treasury as well as the Federal Reserve. According to Secretary Rubin, by severely restricting the use of the ESF, this amendment constitutes an unacceptable limitation on the executive branch's ability to protect critical U.S. interests. The Secretary would be forced to recommend a Presidential veto if the final bill contains these restrictions.

Likewise, Fed Chairman Greenspan has testified that ''it is important to have mechanisms, such as the Treasury Department's Exchange Stabilization Fund, that permit the U.S. in exceptional circumstances to provide temporary bilateral financial support, often on short notice, under appropriate conditions and on occasion in cooperation with other countries.''

For over 60 years, the ESF has been a vital American tool, used most often by the last three Administration's, for defending the dollar, curbing destructive currency fluctuations, and protecting essential U.S. economic and security interests.

Counterproductive restrictions on the ESF could lead to severe foreign exchange market instability—and hence, dollar volatility—that would harm American businesses, raise U.S. interest rates, and weaken our economic prospects. Such volatility could also threaten the dollar's ability to serve as the world's reserve currency—a source of tremendous advantage for the United States.

Direct market intervention is one way the ESF has been used to curb exchange market volatility. The use of ESF resources to stabilize foreign currencies has played just as essential a role in accomplishing U.S. economic objectives.

The ESF has been used more than 50 times in the past 60 years to stabilize currencies in key U.S. export markets—such as Great Britain in the 1960s—to anchor reforms in transitional countries—such as Poland in 1989—and to protect against the effects of short-term instability or currency crises, such as Mexico in 1995. Every single one of these extensions of support through the ESF has been promptly repaid. No U.S. money has ever been lost in accomplishing these critical objectives through the ESF. In fact, by utilizing an innovative investment banking approach, the U.S. actually made over $500 million in interest on ESF loans to Mexico.

This amendment would prohibit the U.S. from keeping its commitment to our allies in South Korea to provide backstop financial assistance, if necessary. It would greatly restrict the ability of the U.S. to provide emergency liquidity to assist any future transition to a post-Castro Cuba. Similarly, it would prevent the U.S. from coming to the financial assistance of Taiwan (not an IMF member), if the Asian financial crisis or renewed tensions across the Taiwan strait caused a run on the New Taiwan dollar.

As a trade and exports become more important to the health of the American economy,

and as emerging markets play a growing role in our prosperity, it is essential that the U.S. retain the tools necessary to defend the dollar, safeguard stable exchange market conditions, and help deal with crises elsewhere when it is in our interests to do so.

In this unstable financial environment, it would be a profound mistake for Congress to leave the U.S. without the ability to use the ESF to respond quickly to a developing economic crisis where American interests are at stake. By passing this amendment Congress will severely hobble the ability of the U.S. to fulfill its responsibilities and exercise leadership in world financial affairs, and at a most inopportune juncture when American economic leadership could not be needed more.

BACKGROUND

The Gold Reserve Act of 1934 gives the Secretary of the Treasury exclusive control of ESF operations, subject to the approval of the President, to enable the U.S. to intervene in the foreign exchange market and undertake other monetary transactions consistent with U.S. obligations in the International Monetary Fund. Most ESF transactions are short-term. If any ESF loan or credit exceeds six months, the statute requires that the President provide Congress with a written statement that unique or emergency circumstances exist.

In addition, Treasury provides Congress detailed monthly reports on ESF finances and operations, quarterly reports on Treasury and Federal Reserve foreign exchange operations, and an annual audit report on the ESF

Daily Digest

HIGHLIGHTS

Senate passed VA/HUD Appropriations, 1999.

Senate

Chamber Action

Routine Proceedings, pages S8425–S8542

Measures Introduced: Seven bills and one resolution were introduced, as follows: S. 2325–2331, and S. Con. Res. 108. **Page S8482**

Measures Passed:

VA/HUD Appropriations: Senate passed S. 2168, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1999, after taking action on further amendments proposed thereto, as follows:

Pages S8425–47

Adopted:

Burns Amendment No. 3205, to provide for insurance and indemnification with respect to the development of certain experimental aerospace vehicles. **Pages S8425, S8431**

Murkowski Modified Amendment No. 3200, to provide land allotments for certain Native Alaskan veterans. **Pages S8425, S8431–32**

Rejected:

Nickles Amendment No. 3202, to provide for an increase in FHA single family maximum mortgage amounts and GNMA guaranty fee. (By 69 yeas to 27 nays (Vote No. 211), Senate tabled the amendment.) **Pages S8425, S8428–30**

Sessions Amendment No. 3206, to increase funding for activities of the National Aeronautics and Space Administration concerning science and technology, aeronautics, space transportation, and technology by reducing funding for the AmeriCorps program. (By 58 yeas to 37 nays (Vote No. 212), Senate tabled the amendment.) **Pages S8425–31**

During consideration of this measure today, Senate also took the following action:

By 54 yeas to 40 nays (Vote No. 210), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive the Congressional Budget Act with respect to consideration of Wellstone/Murray/McCain Amendment No. 3199, to restore veterans tobacco-related benefits as in effect before the enactment of the Transportation Equity Act for the 21st Century. Subsequently, a point of order that the amendment was in violation of section 302(f) of the Congressional Budget Act was sustained, and the amendment thus fell. **Pages S8425–28**

Milosevic/War Crimes: Committee on Foreign Relations was discharged from further consideration of S. Con. Res. 105, expressing the sense of the Congress regarding the culpability of Slobodan Milosevic for war crimes, crimes against humanity, and genocide in the former Yugoslavia, and the resolution was agreed to, after agreeing to the following amendments proposed thereto: **Pages S8456–58**

D'Amato Amendment No. 3212, to make a technical correction. **Page S8457**

D'Amato Amendment No. 3213, to strike provisions regarding U.S. policy in dealings with President Milosevic. **Page S8457**

Shackleford Banks Wild Horses Protection: Senate passed H.R. 765, to ensure maintenance of a herd of wild horses in Cape Lookout National Seashore, after agreeing to the following amendment proposed thereto: **Pages S8532–33**

Domenici (for Murkowski) Amendment No. 3214, in the nature of a substitute. **Page S8533**

Mount St. Helens National Volcanic Monument Completion Act: Senate passed S. 638, to provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens National Volcanic Monument mandated by the 1982 Act that established the Monument, after agreeing to a committee amendment in the nature of a substitute. **Pages S8533–34**

National Discovery Trails: Senate passed S. 1069, entitled the ''National Discovery Trails Act of

1997'', after agreeing to a committee amendment in the nature of a substitute. **Pages S8534–35**

Bandelier National Monument: Senate passed S. 1132, to modify the boundaries of the Bandelier National Monument to include the lands within the headwaters of the Upper Alamo Watershed which drain into the Monument and which are not currently within the jurisdiction of a Federal land management agency, and to authorize purchase or donation of those lands, after agreeing to committee amendments. **Pages S8535–36**

National Historic Lighthouse Preservation Program: Senate passed S. 1403, to amend the National Historic Preservation Act for purposes of establishing a national historic lighthouse preservation program, after agreeing to a committee amendment in the nature of a substitute. **Pages S8536–37**

Methane Hydrate Resources: Senate passed S. 1418, to promote the research, identification, assessment, exploration, and development of methane hydrate resources, after agreeing to committee amendments. **Page S8537**

Land Conveyance: Senate passed S. 1510, to direct the Secretary of the Interior and the Secretary of Agriculture to convey certain lands to the county of Rio Arriba, New Mexico, after agreeing to a committee amendment in the nature of a substitute. **Page S8538**

Wenatchee National Forest: Senate passed S. 1683, to transfer administrative jurisdiction over part of the Lake Chelan National Recreation Area from the Secretary of the Interior to the Secretary of Agriculture for inclusion in the Wenatchee National Forest, after agreeing to a committee amendment in the nature of a substitute. **Page S8538**

Sand Creek Massacre National Historic Site: Senate passed S. 1695, to establish the Sand Creek Massacre National Historic Site in the State of Colorado, after agreeing to a committee amendment in the nature of a substitute. **Pages S8538–39**

Hart Mountain Transfer: Senate passed S. 1807, to transfer administrative jurisdiction over certain parcels of public domain land in Lake County, Oregon, to facilitate management of the land, after agreeing to a committee amendment in the nature of a substitute. **Page S8539**

New Mexico Land Conveyance: Senate passed H.R. 434, to provide for the conveyance of small parcels of land in the Carson National Forest and the Santa Fe National Forest, New Mexico, to the village of El Rito and the town of Jemez Springs, New Mexico, after agreeing to a committee amendment in the nature of a substitute. **Page S8539**

California Land Sale: Senate passed H.R. 1439, to facilitate the sale of certain land in Tahoe National Forest, in the State of California to Placer County, California, clearing the measure for the President. **Page S8540**

Guam Delegate Election: Senate passed H.R. 1460, to allow for election of the Delegate from Guam by other than separate ballot, clearing the measure for the President **Page S8540**

Mark Twain National Forest Boundary Adjustment: Senate passed H.R. 1779, to make a minor adjustment in the exterior boundary of the Devils Backbone Wilderness in the Mark Twain National Forest, Missouri, to exclude a small parcel of land containing improvements, clearing the measure for the President. **Page S8540**

Iowa FERC Project Extension: Senate passed H.R. 2165, to extend the deadline under the Federal Power Act applicable to the construction of FERC Project Number 3862 in the State of Iowa, clearing the measure for the President. **Page S8540**

Colorado FERC Project Extension: Senate passed H.R. 2217, to extend the deadline under the Federal Power Act applicable to the construction of FERC Project Number 9248 in the State of Colorado, clearing the measure for the President. **Page S8540**

Kentucky Hydroelectric Project Extension: Senate passed H.R. 2841, to extend the time required for the construction of a hydroelectric project, clearing the measure for the President. **Page S8540**

Legislative Branch Appropriations—Cloture Motion Filed: A motion was entered to close further debate on the motion to proceed to consideration of H.R. 4112, making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999 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, July 21, 1998. **Page S8471**

Senate will consider the bill on Monday, July 20, 1998.

Commerce/Justice/State Appropriations, 1999—Agreement: A unanimous-consent agreement was reached providing for the consideration of S. 2260, making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1999, on Monday, July 20, 1999. **Page S8540**

Messages from the President: Senate received the following messages from the President of the United States:

Transmitting the report of the Executive Order blocking government property and prohibiting transactions with the Federal Republic of Yugoslavia (Serbia and Montenegro); the Committee on Banking, Housing, and Urban Affairs. (PM–144). **Pages S8478–80**

Transmitting the report concerning the emigration laws and policies of Albania; referred to the Committee on Finance. (PM–145). **Page S8480**

Nominations Received: Senate received the following nominations:

John J. Pikarski, Jr., of Illinois, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for the remainder of the term expiring December 17, 1998.

John J. Pikarski, Jr., of Illinois, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 2001.

Romulo L. Diaz, Jr., of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency.

J. Charles Fox, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

Paul Steven Miller, of California, to be a Member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1999.

4 Army nominations in the rank of general.

3 Navy nominations in the rank of admiral.

Routine lists in the Army, Navy. **Pages S8542–45**

Messages From the President: **Pages S8478–80**

Messages From the House: **Page S8480**

Measures Placed on Calendar: **Page S8480**

Communications: **Pages S8480–81**

Petitions: **Page S8481**

Statements on Introduced Bills: **Pages S8482–S8512**

Additional Cosponsors: **Page S8512**

Amendments Submitted: **Pages S8513–14**

Notices of Hearings: **Page S8514**

Authority for Committees: **Page S8514**

Additional Statements: **Pages S8514–16**

Text of H.R. 4101 as Previously Passed: **Pages S8516–32**

Record Votes: Three record votes were taken today. (Total—212) **Pages S8427γ28, S8430–31**

Adjournment: Senate convened at 9 a.m., and adjourned at 3:29 p.m., until 1 p.m., on Monday, July 20, 1998. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S8540.)

Committee Meetings

(Committees not listed did not meet)

MORTGAGE LENDING REFORM

Committee on Banking, Housing, and Urban Affairs: Subcommittee on Financial Institutions and Regulatory Relief and the Subcommittee on Housing Opportunity and Community Development concluded joint hearings to examine recommendations from the Department of Housing and Urban Development and the Federal Reserve Board on mortgage loan reforms as contained in the Truth in Lending Act and the Real Estate Settlement Procedures Act, after receiving testimony from Edward M. Gramlich, Member, Board of Governors of the Federal Reserve System; and Gail Laster, General Counsel, Department of Housing and Urban Development.

House of Representatives

Chamber Action

Bills Introduced: 10 public bills, H.R. 4263–4272; 1 private bill, H.R. 4273; and 1 resolution, H. Con. Res. 301, were introduced. **Pages H5858–59**

Reports Filed: A report was filed as follows:

H.R. 4058, to amend title 49, United States Code, to extend the aviation insurance program (H. Rept. 105–632) **Page H5858**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Shaw to act as Speaker pro tempore for today. **Page H5741**

VA, HUD Appropriations: The House began consideration of H.R. 4194, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999. **Pages H5743–H5826**

Agreed To:

The Lazio amendment numbered 12 in the Congressional Record that replaces the 1937 U.S. Housing Act with provisions similar to the House passed version of H.R. 2, the Housing Opportunity and Responsibility Act (agreed to by a recorded vote of 230 ayes to 181 noes, Roll No. 296); **Pages H5774–H5821**

The Stokes amendment numbered 19 in the Congressional Record that removes restrictions on the use of EPA brownfields funds. **Pages H5824–26**

Rejected:

The Stokes en bloc amendment numbered 18 in the Congressional Record that increases section 8 housing vouchers (rejected by a recorded vote of 201 ayes to 215 noes, Roll No. 295).

Pages H5763–64, H5820–21

Point of Order sustained against the Vento amendment numbered 9 in the Congressional Record that sought to place certain filing requirements on housing owners who plan to terminate their low-income housing mortgages and convert the property for other means. **Pages H5772–74**

Withdrawn:

The Jackson-Lee en bloc amendment numbered 23 in the Congressional Record was offered and subsequently withdrawn that sought to increase section 8 incremental restoration program funding.

Pages H5765–66

H. Res. 501, the rule that is providing for consideration of the bill was agreed to on July 16.

Presidential Messages: Read the following messages from the President:

Immigration Laws of Albania: Message wherein he submitted his report concerning the immigration laws of Albania—referred to the Committee on Ways and Means and ordered to be printed (H. Doc. 105–285); and **Page H5843**

National Emergency—Serbia and Montenegro: Message wherein he submitted his report concerning the national emergency with respect to the Governments of Serbia and Montenegro—referred to the Committee on International Relations and ordered to be printed (H. Doc. 105–286). **Pages H5843–45**

Extension of Nondiscriminatory Treatment to Products of China: Agreed by unanimous consent to consider H.J. Res. 121, disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China, at any time on Wednesday, July 22. **Pages H5822–23**

Bipartisan Campaign Finance Reform: Agreed by unanimous consent that during further consideration of H.R. 2183 pursuant to H. Res. 442 and H. Res. 458, no other amendment to the amendment in the nature of a substitute by Representative Shays shall be in order except the specified amendments placed at the desk today and printed in the Congressional Record. **Pages H5826–43**

Vocational and Applied Technology Education: The House disagreed to the Senate amendment to H.R. 1853, to amend the Carl D. Perkins Vocational and Applied Technology Education Act and agreed to a conference. Appointed as conferees: Representatives Goodling, McKeon, Riggs, Peterson of Pennsylvania, Sam Johnson of Texas, Clay, Martinez, and Kildee. **Pages H5843, H5850**

Legislative Program: The Majority Leader announced the Legislative Program for the week of July 20. **Pages H5821–22**

Meeting Hour: Agreed that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday, July 20. **Page H5845**

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business of July 22. **Page H5845**

Senate Message: Message received from the Senate appears on page H5741.

Amendments: Amendments ordered printed pursuant to the rule appear on pages H5859–60.

Quorum Calls—Votes: Two recorded votes developed during the proceedings of the House today and

appear on pages H5820–21 and H5821. There were no quorum calls.

Adjournment: Met at 9:00 a.m. and adjourned at 3:27 p.m.

Committee Meetings

FINANCIAL DERIVATIVES SUPERVISORY IMPROVEMENT ACT

Committee on Banking and Financial Services: Held a hearing on H.R. 4062, Financial Derivatives Supervisory Improvement Act of 1998. Testimony was heard from public witnesses.

Hearings continue July 24.

DIGITAL MILLENNIUM COPYRIGHT ACT

Committee on Commerce: Ordered reported amended H.R. 2281, Digital Millennium Copyright Act of 1998.

EDUCATION AT A CROSSROADS REPORT

Committee on Education and the Workforce: Subcommittee on Oversight and Investigations adopted the following Subcommittee report ''Education at a Crossroads: What Works and What's Wasted in Education Today''.

OVERSIGHT—CIVIL RIGHT DIVISION

Committee on the Judiciary: Subcommittee on the Constitution held an oversight hearing on the Civil Rights Division of the Department of Justice. Testimony was heard from Bill Lann Lee, Acting Assistant Attorney General, Civil Rights Division, Department of Justice; and public witnesses.

OVERSIGHT—CIVIL APPLICATION OF RICO TO NONVIOLENT ADVOCACY GROUPS

Committee on the Judiciary: Subcommittee on Crime held an oversight hearing addressing the civil application of the Racketeering Influenced Corrupt Organization Act (RICO) to nonviolent advocacy groups. Testimony was heard from Frank J. Marine, Acting Chief, Organized Crime and Racketeering Section, Department of Justice; and public witnesses.

COUNTERNARCOTICS

Permanent Select Committee on Intelligence: Met in executive session to hold a hearing on Counternarcotics. Testimony was heard from departmental witnesses.

Joint Meetings

EMPLOYMENT, TRAINING, AND LITERACY ENHANCEMENT ACT

Conferees on Thursday, July 16, met to resolve the differences between the Senate- and House-passed versions of H.R. 1385, to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs in the United States, but did not complete action thereon, and recessed subject to call.

CONGRESSIONAL PROGRAM AHEAD

Week of July 20 through 25, 1998

Senate Chamber

On *Monday,* Senate will consider H.R. 4112, Legislative Branch Appropriations, 1999, and S. 2260, State/Justice/Commerce Appropriations, 1999.

On *Tuesday,* Senate will vote on a motion to close further debate on the motion to proceed to consideration of S. 2137, Legislative Branch Appropriations, 1999.

During the balance of the week, Senate may consider further appropriations bills, conference reports, when available, and any cleared legislative or executive business.

(Senate will recess on Tuesday, July 21, 1998, from 12:30 p.m. until 2:15 p.m. for respective party conferences.)

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Agriculture, Nutrition, and Forestry: July 22, to hold hearings to examine how the Year 2000 computer conversion will affect agricultural businesses, 9 a.m., SR–332.

Committee on Appropriations: July 21, business meeting, to mark up proposed legislation making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and proposed legislation making appropriations for the government of the District of Columbia for the fiscal year ending September 30, 1999, 2:30 p.m., SD–192.

Committee on Armed Services: July 23, to hold hearings on the nominations of Patrick T. Henry, of Virginia, to be Assistant Secretary of the Army for Manpower and Reserve Affairs, Carolyn H. Becraft, of Virginia, to be Assistant Secretary of the Navy for Manpower and Reserve Affairs, and Ruby Butler DeMesme, of Virginia, to be Assistant Secretary of the Air Force for Manpower, Reserve Affairs, Installations and Environment, 3 p.m., SR–222.

Committee on Banking, Housing, and Urban Affairs: July 21, to hold hearings to examine the monetary policy report to Congress pursuant to the Full Employment and Balanced Growth Act of 1978, 10 a.m., SD–106.

July 22, Full Committee, to hold hearings to examine the 1946 Swiss Holocaust Assets Agreement, 10 a.m., SD–538.

Committee on the Budget: July 21, to hold hearings to examine issues associated with implementing personal savings accounts as part of social security reform, 10 a.m., SD–608.

July 23, Full Committee, to hold hearings to examine long-term economic and budgetary effects of social security, 10 a.m., SD–608.

Committee on Commerce, Science, and Transportation: July 21, to hold hearings to examine discretionary spending activities within the Department of Transportation and the Department of Commerce, 9:30 a.m., SR–253.

July 22, Full Committee, to hold hearings to examine China's missile transfer issues, 9:30 a.m., SR–253.

July 23, Full Committee, to hold hearings on S. 2238, to reform unfair and anticompetitive practices in the professional boxing industry, 9:30 a.m., SR–253.

Committee on Energy and Natural Resources: July 22, to hold hearings on the nomination of Bill Richardson, of New Mexico, to be Secretary of Energy, 9:30 a.m., SD–366.

July 22, Subcommittee on Forests and Public Land Management, to hold hearings on S. 2136, to provide for the exchange of certain land in the State of Washington, S. 2226, to amend the Idaho Admission Act regarding the sale or lease of school land, H.R. 2886, to provide for a demonstration project in the Stanislaus National Forest, California, under which a private contractor will perform multiple resource management activities for that unit of the National Forest System, and H.R. 3796, to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction or improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management, 2 p.m., SD–366.

July 23, Full Committee, to hold oversight hearings to examine the results of the Arctic National Wildlife Refuge, 1002 Area, Petroleum Assessment, 1998, conducted by the United States Geological Survey, 9:30 a.m., SD–366.

July 23, Subcommittee on National Parks, Historic Preservation, and Recreation, to hold hearings on S. 2109, to provide for an exchange of lands located near Gustavus, Alaska, S. 2257, to reauthorize the National Historic Preservation Act, S. 2276, to amend the National Trails System Act to designate El Camino Real de los Tejas as a National Historic Trail, S. 2272, to amend the boundaries of Grant-Kohrs Ranch National Historic Site in the State of Montana, S. 2284, to establish the Minuteman Missile National Historic Site in the State of South Dakota, and H.R. 1522, to extend the authorization for the National Historic Preservation Fund, 2 p.m., SD–366.

Committee on Environment and Public Works: July 22, business meeting, to consider pending calendar business, 9 a.m., SD–406.

July 23, Subcommittee on Clean Air, Wetlands, Private Property, and Nuclear Safety, to hold hearings to examine proposals to reform the Federal Emergency Management Agency, 9 a.m., SD–406.

Committee on Finance: July 22, to hold hearings to examine new directions in retirement security policy, focusing on social security, pensions, personal savings and work, 9:30 a.m., SD–215.

Committee on Foreign Relations: July 20, to hold hearings on the nominations of Richard E. Hecklinger, of Virginia, to be Ambassador to the Kingdom of Thailand, Charles F. Kartman, of Virginia, for the rank of Ambassador during his tenure of service as Special Envoy for the Korean Peace Talks, and Kent M. Weidemann, of California, to be Ambassador to the Kingdom of Cambodia, 4 p.m., SD–419.

July 23, Subcommittee on International Operations, to hold hearings to examine whether the United Nations international criminal court is in the United States national interest, 10 a.m., SD–419.

July 23, Full Committee, business meeting, to consider pending calendar business, 2:30 p.m., S–116, Capitol.

July 23, Full Committee, to hold hearings on the nominations of Robert C. Felder, of Florida, to be Ambassador to the Republic of Benin, James Vela Ledesma, of California, to be Ambassador to the Gabonese Republic and to serve concurrently and without additional compensation as Ambassador to the Democratic Republic of Sao Tome and Principe, Joseph H. Melrose Jr., of Pennsylvania, to be Ambassador to the Republic of Sierra Leone, George Mu, of California, to be Ambassador to the Republic of Cote d'Ivoire, Robert Cephas Perry, of Virginia, to be Ambassador to the Central African Republic, Joseph Gerard Sullian, of Virginia, to be Ambassador to the Republic of Angola, and William Lacy Swing, of North Carolina, to be Ambassador to the Democratic Republic of the Congo, 4 p.m., SD–419.

Committee on Governmental Affairs: July 23, Permanent Subcommittee on Investigations, to hold hearings to examine the problem of telephone cramming—the billing of unauthorized charges on a consumer's telephone bill, 9:30 a.m., SD–342.

Committee on the Judiciary: July 22, to hold oversight hearings to examine the Department of Justice's implementation of the Violence Against Women Act, 9:30 a.m., SD–226.

July 23, Full Committee, to hold hearings to examine the current status of, and prospects for, competition and innovation in certain segments of the software industry, 9:30 a.m., SD–226.

Committee on Labor and Human Resources: July 21, to hold hearings on S. 766, to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans, 10 a.m., SD–430.

July 22, Full Committee, business meeting, to mark up S. 1380, to amend the Elementary and Secondary Education Act of 1965 regarding charter schools, S. 2112, to make the Occupational Safety and Health Act of 1970 applicable to the United States Postal Service in the same manner as any other employer, and S. 2213, to allow all States to participate in activities under the Education Flexibility Partnership Demonstration Act, 9:30 a.m., SD–430.

July 23, Full Committee, to hold hearings on the nominations of Ida L. Castro, of New York, to be a Member of the Equal Employment Opportunity Commission, and Paul M. Igasaki, of California, to be a Member of the Equal Employment Opportunity Commission, 10 a.m., SD–430.

Committee on Rules and Administration: July 21, to hold hearings on the nominations of Scott E. Thomas, of the

District of Columbia, David M. Mason, of Virginia, Darryl R. Wold, of California, and Karl J. Sandstrom, of Washington, each to be a Member of the Federal Election Commission, 9:30 a.m., SR–301.

Committee on Indian Affairs: July 22, to hold joint hearings with the House Resources Committee on S. 1770, to elevate the position of Director of the Indian Health Service to Assistant Secretary of Health and Human Services, and to provide for the organizational independence of the Indian Health Service within the Department of Health and Human Services, and H.R. 3782, to compensate certain Indian tribes for known errors in their tribal trust fund accounts, and to establish a process for settling other disputes regarding tribal trust fund accounts, 9:30 a.m., SD–106.

Special Committee on the Year 2000 Technology Problem: July 23, to hold hearings to examine the Year 2000 computer conversion as related to the health care industry, 9:30 a.m., SD–192.

House Chamber

To be announced.

House Committees

Committee on Agriculture, July 22, hearing to review the 1999 Multilateral Negotiations on Agricultural Trade—Western Hemisphere, 10 a.m., 1300 Longworth.

Committee on Appropriations, July 22, to mark up the following appropriations for fiscal year 1999: Foreign Operations, Export Financing and Related Programs; and Transportation, 9:30 a.m., 2359 Rayburn.

Committee on Banking and Financial Services, July 22, Subcommittee on Domestic and International Monetary Policy, hearing on the Conduct of Monetary Policy, 9:30 a.m., 2128 Rayburn.

July 22, Subcommittee on Financial Institutions and Consumer Credit and the Subcommittee on Housing and Community Opportunity, joint hearing on the Real Estate Settlement Procedures Act, the Truth in Lending Act, and reforms to mortgage lending disclosure requirements, 2 p.m., 2128 Rayburn.

July 23, Subcommittee on Housing and Community Opportunity, hearing on H.R. 3899, American Homeownership Act of 1998, 9:30 a.m., 2128 Rayburn.

July 24, full Committee, to continue hearings on H.R. 4062, Financial Derivatives Supervisory Improvement Act of 1998, 10 a.m., 2128 Rayburn.

Committee on Commerce, July 20, Subcommittee on Health and Environment, hearing on the State of Cancer Research, 2:30 p.m., 2123 Rayburn.

July 21, Subcommittee on Energy and Power, hearing on H.R. 2568, Energy Policy Act Amendments of 1997, 10 a.m., 2322 Rayburn.

July 21, Subcommittee on Telecommunications, Trade, and Consumer Protection, to continue hearings on Electronic Commerce: Privacy in Cyberspace, focusing on data privacy measures, including H.R. 2368, Data Privacy Act of 1997, 10 a.m., 2123 Rayburn.

July 22, Subcommittee on Telecommunications, Trade, and Consumer Protection, to mark up the following bills: H.R. 3844, Wireless Communications and Public Safety Act of 1998; and H.R. 2901, to improve cellular telephone service in selected rural areas and to achieve equitable treatment of certain cellular license applicants, 10:30 a.m., 2123 Rayburn.

July 23, Subcommittee on Oversight and Investigations, hearing on the Department of Health and Human Services' Policy for Federal Workplace Drug-Testing Programs, 10 a.m., 2123 Rayburn.

July 24, Subcommittee on Finance and Hazardous Materials, hearing on Enhancing Retirement Security Through Individual Investment Choices, 10 a.m., 2123 Rayburn.

Committee on Education and the Workforce, July 22, to mark up the following: a measure to amend the Fair Labor Standards Act of 1938 to allow certain employment for Amish youth; the Head Start Amendments of 1998; the Low Income Home Energy Assistance Program Act Amendments of 1998; and the Community Services Block Grant Act Amendments of 1998, 11 a.m., 2175 Rayburn.

July 24, Subcommittee on Oversight and Investigations, hearing on International Brotherhood of Teamsters Governance and Practice, 9:30 a.m., 2175 Rayburn.

Committee on Government Reform and Oversight, July 21, Subcommittee on Civil Service, to mark up the following: H.R. 2526, to amend title 5, United States Code, to make the percentage limitations on individual contributions to the Thrift Savings Plan more consistent with the dollar amount limitation on elective deferrals; H.R. 2566, Civil Service Retirement System Actuarial Redeposit Act of 1997; the Federal Employees Child Care Affordability Act; H.R. 2943, to amend title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor; and H.R. 4259, Haskell Indians Nations University and Southwestern Indian Polytechnic Institute Administrative Systems Act of 1998, 10 a.m., 2154 Rayburn.

July 21, Subcommittee on Postal Service, to mark up the following bills: H.R. 3725, Postal Service Health and Safety Promotion Act; H.R. 2623, to designate the United States Post Office located at 16250 Highway 603 in Kiln, Mississippi, as the ''Ray J. Favre Post Office Building''; H.R. 3167, to designate the United States Post Office located at 297 Larkfield Road in East Northport, New York, as the ''Jerome Anthony Ambro, Jr. Post Office Building''; and H.R. 4052, to establish designations for United States Postal Service buildings located in Coconut Grove, Opa Locka, Carol City, and Miami, Florida, 2 p.m., 2247 Rayburn.

July 22, Subcommittee on Human Resources, hearing on Medicare Home Health Agencies: Still No Surety Against Fraud and Abuse, 10 a.m., 2247 Rayburn.

July 22, Subcommittee on National Security, International Affairs, and Criminal Justice, hearing on Drug Treatment Programs: Making Treatment Work, 10 a.m., 2154 Rayburn.

July 23, full Committee, to consider pending business, 10 a.m., 2154 Rayburn.

July 23, Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, hearing on

''State and Local Governments v. Clint/Gore,'' 10 a.m., 2154 Rayburn.

July 23, Subcommittee on National Security, International Affairs, and Criminal Justice, hearing on Expectant Mothers and Substance Abuse: Intervention and Treatment Challenges for State Governments, 1 p.m., 2154 Rayburn.

Committee on International Relations, July 21 and 22, to mark up the following measures: H.J. Res. 125, finding the Government of Iraq in material and unacceptable breach of its international obligations; H.R. 4095, International Arms Sales Code of Conduct Act of 1998; H. Res. 459, commemorating 50 years of relations between the United States and the Republic of Korea; H. Con. Res. 277, concerning the New Tribes Mission hostage crisis; H. Res. 469, expressing the sense of the House of Representatives regarding assistance to Mexico to combat wildfires; H. Con. Res. 292, calling for an end to the recent conflict between Eritrea and Ethiopia; H. Con. Res. 224, urging international cooperation in recovering children abducted in the United States and taken to other countries; H. Res. 421, expressing the sense of the House of Representatives deploring the tragic and senseless murder of Bishop Juan Jose Gerardi, calling on the Government of Guatemala to expeditiously bring those responsible for the crime to justice, and calling on the people of Guatemala to reaffirm their commitment to continue to implement the peace accords without interruption; H.R. 3636, Africa: Seeds of Hope Act of 1998; H. Res. 415, to promote independent radio broadcasting in Africa; H.R. 3743, Iran Nuclear Proliferation Prevention Act of 1998; H. Con. Res. 254, calling on the Government of Cuba to extradite to the United States convicted felon Joanne Chesimard and all other individuals who have fled the United States to avoid prosecution or confinement for criminal offenses and who are currently living freely in Cuba; and H. Res. 362, commending the visit of His Holiness Pope John Paul II to Cuba, 10 a.m., on July 21 and 11 a.m., on July 22, 2172 Rayburn.

July 22, Subcommittee on International Economic Policy and Trade, hearing on The U.S. and its Trade Deficit: Restoring the Balance, 1:30 p.m., 2200 Rayburn.

July 23, hearing on Kosovo—Current Situation and Future Options, 9:30 a.m., 2172 Rayburn.

July 24, Subcommittee on International Operations and Human Rights, to mark up the following bills: H.R. 4083, to make available to the Ukrainian Museum and Archives the USIA television program ''Window on America''; and H.R. 633, to amend the Foreign Service Act of 1980 to provide that the annuities of certain special agents and security personnel of the Department of State be computed in the same way as applies generally with respect to Federal law enforcement officers; followed by a hearing on Human Rights in Indonesia, Part II, 10 a.m., 2172 Rayburn.

Committee on the Judiciary, July 21, to continue markup of H.R. 3898, Speed Trafficking Life in Prison Act of 1998; and to markup the following bills: H.R. 2592, Private Trustee Reform Act of 1997; H.R. 2070, Correction Officers Health and Safety Act of 1997; and H.R. 3789, Class Action Jurisdiction Act of 1998, 10 a.m., 2141 Rayburn.

July 22, hearing on H.R. 3081, Hate Crimes Prevention Act of 1997, 10 a.m., 2141 Rayburn.

July 23, Subcommittee on Commercial and Administrative Law, hearing on the following bills: H.R. 4049, Regulatory Fair Warning Act of 1998; and H.R. 4096, Taxpayer's Defense Act, 10 a.m., 2141 Rayburn.

July 23, Subcommittee on Courts and Intellectual Property, oversight hearing on the United States Copyright Office, 10 a.m., 2226 Rayburn.

July 23, Subcommittee on Immigration and Claims, oversight hearing on Alternative Technologies for Implementation of Section 110 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1997 at Land Borders, 9:30 a.m., 2237 Rayburn.

Committee on Resources, July 21, Subcommittee on Energy and Mineral Resources, hearing on the following bills: H.R. 1467, to provide for the continuance of oil and gas operations pursuant to certain existing leases in the Wayne National Forest; H.R. 3878, to subject certain reserved mineral interests of the operation of the Mineral Leasing Act; and H.R. 3972, to amend the Outer Continental Shelf Lands Act to prohibit the Secretary of the Interior from charging State and local government agencies for certain uses of the sand, gravel, and shell resources of the Outer Continental Shelf, 2 p.m., 1324 Longworth.

July 21, Subcommittee on Forests and Forest Health, hearing and markup of the following bills: H.R. 4021, Interstate 90 Land Exchange Act of 1998; and H.R. 4023, to provide for the conveyance of the Forest Service property in Kern County, California, in exchange for county lands suitable for inclusion in Sequoia National Forest and to mark up H.R. 3187, to amend the Federal Land Policy and Management Act of 1976 to exempt not-for-profit entitles that hold rights-of-way on public lands from certain strict liability requirements imposed in connection with such rights-of-way, 2 p.m., 1324 Longworth.

July 22, full Committee, to consider the following bills: H.R. 1042, to amend the Illinois and Michigan Canal Heritage Corridor Act of 1984 to extend the Illinois and Michigan Canal Heritage Corridor Commission; H.R. 2223, Education Land Grant Act; H.R. 3047, to authorize expansion of Fort Davis National Historic Site in Fort Davis, Texas; H.R. 3055, to deem the activities of the Miccosukee Tribe on the Tamiami Indian Reservation to be consistent with the purposes of the Everglades National Park; H.R. 3109, Thomas Cole National Historic Site Act; H.R. 3498, Dungeness Crab Conservation and Management Act; H.R. 3625, San Rafael Swell National Heritage and Conservation Act; and H.R. 3903, Glacier Bay National Park Boundary Adjustment Act of 1998, 11 a.m., 1324 Longworth.

Committee on Rules, July 20, to consider H.R. 4193, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, 5 p.m., H–313 Capitol.

Committee on Science, July 21, Subcommittee on Technology, oversight hearing on Community Colleges in the

21st Century: Tackling Technology, 12 p.m., 2318 Rayburn.

July 23, Subcommittee on Basic Research, oversight hearing on the National Science Foundation's Systemic Initiatives: Are SSIs The Best Way to Improve K–12 Math and Science Education? 10 a.m., 2318 Rayburn.

Committee on Small Business, July 22, Subcommittee on Regulatory Reform and Paperwork, hearing on the potential impacts on the small business community of restructuring the electric utility industry, 2 p.m., 311 Cannon.

Committee on Transportation and Infrastructure, July 21, Subcommittee on Public Buildings and Economic Development, to mark up the Economic Development Partnership Act of 1998, 10 a.m., 2253 Rayburn.

Committee on Veterans' Affairs, July 22, hearing on benefits for Filipino veterans, 10 a.m., 334 Cannon.

July 23, Subcommittee on Health, hearing to review the implementation of section 1706 of title 38, United States Code, which provide for the specialized treatment and rehabilitative needs of disabled veterans, 9:30 p.m., 334 Cannon.

Committee on Ways and Means, July 22, 23 and 24, Subcommittee on Social Security, hearings to examine labor-management relations at the SSA, 10 a.m., 1100 Longworth.

Permanent Select Committee on Intelligence, July 21, executive, hearing on Economic Intelligence, 10 a.m., H–405 Capitol.

July 22, executive, briefing/business meeting, Access and Bosnia Report, 2 p.m., H–405 Capitol.

July 22, Subcommittee on Human Intelligence, Analysis, and Counterintelligence, executive, hearing on Counterintelligence, 3 p.m., H–405 Capitol.

July 23, full Committee, executive, hearing on Denial and Deception, 11 a.m., H–405 Capitol.

July 23, executive, briefing on CIA's new Whistleblower Regulation, 2 p.m., H–405 Capitol.

July 23, executive, to mark up H.R. 3829, Intelligence Community Whistleblower Protection Act of 1998, 3 p.m., H–405 Capitol.

July 24, executive, hearing on Future Imagery Architecture, 11 a.m., H–405 Capitol.

Joint Meetings

Joint Economic Committee: July 23, to hold hearings to examine the financial structure of the International Monetary Fund, 10 a.m., 2220 Rayburn Building.

Joint hearing: July 22, Senate Committee on Indian Affairs, to hold joint hearings with the House Resources Committee on S. 1770, to elevate the position of Director of the Indian Health Service to Assistant Secretary of Health and Human Services, and to provide for the organizational independence of the Indian Health Service within the Department of Health and Human Services, and H.R. 3782, to compensate certain Indian tribes for known errors in their tribal trust fund accounts, and to establish a process for settling other disputes regarding tribal trust fund accounts, 9:30 a.m., SD–106.

Next Meeting of the SENATE

1 p.m., Monday, July 20

Senate Chamber

Program for Monday: After the transaction of any morning business (not to extend beyond 3 p.m.), Senate will consider H.R. 4112, Legislative Appropriations, and S. 2260, State/Justice/Commerce Appropriations, 1999.

Next Meeting of the HOUSE OF REPRESENTATIVES

12:30 p.m., Monday, July 20

House Chamber

Program for Monday: To be announced.

Extensions of Remarks, as inserted in this issue

HOUSE

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