

MEASURE PLACED ON
CALENDAR—S. 1254

Mr. CRAIG. Mr. President, I understand there is a bill that is due for its second reading.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 1254) to disapprove of amendments to the Federal Sentencing Guidelines related to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity.

Mr. CRAIG. I would object to further consideration of the bill at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

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

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CRAIG. Mr. President, I thank the Chair.

(The remarks of Mr. CRAIG pertaining to the introduction of S. 1271 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now soaring toward \$5 trillion, has been fueled for a generation now by bureaucratic hot air—and it is sort of like the weather—everybody talks about it but almost nobody did much about it until immediately after the elections in November 1994.

But when the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but 1 of the 54 Republicans supported the balanced budget amendment—that was the good news.

The bad news was that only 13 Democrats supported it—which killed hopes for a balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senator's are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or in 1996.

Here is today's bad debt boxscore:

As of the close of business Friday, September 22, the Federal debt—down to the penny—stood at exactly \$4,949,192,404,249.15 or \$18,787.22 for every man, woman, and child on a per capita basis.

CONCLUSION OF MORNING
BUSINESS

The PRESIDING OFFICER (Mr. STEVENS). Morning business is now closed.

DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. Under the previous order, the Senate will turn to the pending business.

The clerk will report.

The bill clerk read as follows:

A bill (H.R. 2099) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for fiscal year ending September 30, 1996, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, 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.)

H.R. 2099

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, 1996, and for other purposes, namely:

TITLE I

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans as authorized by law (38 U.S.C. 107, chapters 11, 13, 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); \$17,649,972,000, to remain available until expended: *Provided*, That not to exceed ~~[\$25,180,000]~~ \$27,431,000 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 by the Veterans' Benefits Act of 1992 (38 U.S.C. chapter 55): *Provided further*, That \$12,000,000 previously transferred from "Compensation and pensions" to "Medical facilities revolving fund" shall be transferred to this heading.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61), \$1,345,300,000, 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 law (38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487) \$24,890,000, to remain available until expended.

GUARANTY AND INDEMNITY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the purpose of 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.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$65,226,000, which may be transferred to and merged with the appropriation for "General operating expenses".

LOAN GUARANTY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the purpose of 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.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, \$52,138,000, which may be transferred to and merged with the appropriation for "General operating expenses".

DIRECT LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, such sums as may be necessary to carry out the purpose of 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 1996, within the resources available, not to exceed \$300,000 in gross obligations for direct loans are authorized for specially adapted housing loans (38 U.S.C. chapter 37).

In addition, for administrative expenses to carry out the direct loan program, \$459,000, 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 \$4,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$195,000, which may be transferred to and merged with the appropriation for "General operating expenses". VerDate 20-SEP-95 02:15 Oct 03, 1995

VOCATIONAL REHABILITATION LOANS PROGRAM
ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, \$54,000, 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 \$1,964,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$377,000, 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, \$205,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VETERANS HEALTH ADMINISTRATION
MEDICAL CARE

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 of Veterans Affairs, and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in Department of Veterans Affairs facilities; 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 of Veterans Affairs; 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 of Veterans Affairs, 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 law (5 U.S.C. 5901-5902); aid to State homes as authorized by law (38 U.S.C. 1741); and not to exceed \$8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); **[\$16,777,474,000]** *\$16,450,000,000*, plus reimbursements: *Provided*, That of the funds made available under this heading, \$789,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1996, and shall remain available for obligation until September 30, 1997: *Provided further*, *That notwithstanding any other provision of law, any veteran eligible for hospital care or medical services under section 1710 of title 38 may be treated in the most efficient manner.*

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by law (38 U.S.C. chapter 73), to remain available until September 30, 1997, **[\$251,743,000]** *\$257,000,000*, plus reimbursements.

HEALTH PROFESSIONAL SCHOLARSHIP
PROGRAM

[For payment of health professional scholarship program grants, as authorized by law, to students who agree to a service obligation

with the Department of Veterans Affairs at one of its medical facilities, **\$10,386,000.**]

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; **\$63,602,000**, plus reimbursements.

TRANSITIONAL HOUSING LOAN PROGRAM

(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 program, \$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, as authorized by law; 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; **[\$821,487,000]** *\$880,000,000*: *Provided*, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act: *Provided further*, That the \$25,500,000 earmarked in Public Law 103-327 for the acquisition of automated data processing equipment and services to support the modernization program of the Veterans Benefits Administration is available for any expense authorized to be funded under this heading: *Provided further*, That none of the funds under this heading (including funds referred to in the preceding proviso) may be obligated or expended for the acquisition of automated data processing equipment and services for Department of Veterans Affairs regional offices to support Stage III of the automated data equipment modernization program of the Veterans Benefits Administration.

NATIONAL CEMETERY SYSTEM

For necessary expenses for the maintenance and operation of the National Cemetery System not otherwise provided for, including uniforms or allowances therefor, as authorized by law; cemeterial expenses as authorized by law; purchase of three passenger motor vehicles, for use in cemeterial operations; and hire of passenger motor vehicles, **\$72,604,000**.

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, **\$30,900,000**.

CONSTRUCTION, MAJOR PROJECTS

(INCLUDING TRANSFER OF FUNDS)

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 title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, off-site utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is \$3,000,000 or more or where funds for a project were made available in a previous major project appropriation, **[\$183,455,000]** *\$35,785,000*, 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 1996, for each approved project shall be obligated (1) by the awarding of a construction documents contract by September 30, 1996, and (2) by the awarding of a construction contract by September 30, 1997: *Provided further*, That the Secretary shall promptly report in writing to the Comptroller General and to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above; and the Comptroller General shall review the report in accordance with the procedures established by section 1015 of the Impoundment Control Act of 1974 (title X of Public Law 93-344): *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: *Provided further*, That of the funds made available under this heading in Public Law 103-327, \$7,000,000 shall be transferred to the "Parking revolving fund".

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 title 38, United States Code, where the estimated cost of a project is less than \$3,000,000, **[\$152,934,000]** *\$190,000,000*, 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 \$3,000,000: *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 of Veterans Affairs 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. VerDate 20-SEP-95 02:

PARKING REVOLVING FUND

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

GRANTS FOR CONSTRUCTION OF STATE
EXTENDED CARE FACILITIES

For grants to assist the several 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 law (38 U.S.C. 8131-8137), \$47,397,000, 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 law (38 U.S.C. 2408), \$1,000,000, to remain available until September 30, 1998.

ADMINISTRATIVE PROVISIONS
(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for 1996 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 1996 for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

SEC. 103. No part of the 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 part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation 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 1996 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 1995.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1996 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. (a) Effective October 1, 1995, section 5505 of title 38, United States Code, as in effect when repealed by section 1201(g)(4)(A) of Public Law 103-446 (108 Stat. 4687), is hereby reenacted and, as so reenacted, is amended by striking out "September 30, 1992" in subsection (c) and inserting in lieu thereof "September 30, 1996".

(b) The table of sections at the beginning of chapter 55 of such title is amended by adding at the end the following new item:

"5505. Limitation on compensation payments for certain incompetent veterans."

SEC. 108. Chapter 19 of title 38, United States Code, is amended as follows:

(1) Section 1920 is amended—

(A) in subsection (a), by inserting " and for the reimbursement of administrative costs under subsection (c)" before the period at the end of the second sentence; and

(B) by adding at the end the following new subsection:

"(c)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the National Service Life Insurance Fund, reimburse the 'General operating expenses' account of the Department for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

"(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect which, in the judgment of the Secretary, are properly allocable to the provision of National Service Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

"(3) This subsection shall be in effect only with respect to fiscal year 1996."

(2) Section 1923 is amended—

(A) in subsection (a), by inserting " and for the reimbursement of administrative costs under subsection (d)" before the period at the end of the last sentence; and

(B) by adding at the end the following new subsection:

"(d)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the Veterans' Special Life Insurance Fund, reimburse the 'General operating expenses' account of the Department for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

"(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect which, in the judgment of the Secretary, are properly allocable to the provision of Veterans' Special Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

"(3) This subsection shall be in effect only with respect to fiscal year 1996."

(3) Section 1955 is amended—

(A) in subsection (a), by inserting " and for the reimbursement of administrative costs under subsection (c)" before the period at the end of the first sentence; and

(B) by adding at the end the following new subsection:

"(c)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the United States Government Life Insurance Fund, reimburse the 'General operating expenses' account of the Department for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal

year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

"(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect which, in the judgment of the Secretary, are properly allocable to the provision of United States Government Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

"(3) This subsection shall be in effect only with respect to fiscal year 1996."

(4) Section 1982 is amended by striking out "The United States" and inserting in lieu thereof "Except as provided in sections 1920(c), 1923(d), and 1955(c) of this title, the United States".

SEC. 109. Notwithstanding any other provision of law, the Secretary of Veterans Affairs is authorized to transfer, without compensation or reimbursement, the jurisdiction and control of a parcel of land consisting of approximately 6.3 acres, located on the south edge of the Department of Veterans Affairs Medical and Regional Office Center, Wichita, Kansas, including buildings Nos. 8 and 30 and other improvements thereon, to the Secretary of Transportation for the purpose of expanding and modernizing United States Highway 54: Provided, That if necessary, the exact acreage and legal description of the real property transferred shall be determined by a survey satisfactory to the Secretary of Veterans Affairs and the Secretary of Transportation shall bear the cost of such survey: Provided further, That the Secretary of Transportation shall be responsible for all costs associated with the transferred land and improvements thereon, and compliance with all existing statutes and regulations: Provided further, That the Secretary of Veterans Affairs and the Secretary of Transportation may require such additional terms and conditions as each Secretary considers appropriate to effectuate this transfer of land.

SEC. 110. Funds available to the Department of Veterans Affairs Revolving Supply Fund shall be available until September 30, 1997, for expenses necessary to establish a Department wide program to develop and implement a Federal acquisition computer network required by section 9001 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355).

TITLE II

DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

[For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, \$10,182,359,000, to remain available until expended: Provided, That none of the funds made available under the head "Annual contributions for assisted housing" in this Act or any prior Act shall be expended if such expenditure would cause total fiscal year 1996 expenditures to exceed \$19,939,311,000: Provided further, That the Secretary shall report to the Committees on Appropriations every 90 days on the implementation of the spending limitation in the preceding proviso: Provided further, That of the total amount provided under this head, \$100,000,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb): Provided further, That VerDate 20-SEP-1995

of the total amount provided under this head, \$2,500,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l): *Provided further*, That during fiscal year 1996, the Secretary may direct any public housing agency that receives any part of the foregoing amount, to use such amount, or any other amount that has been made available in this or any other prior Act for public housing under this head or for the HOPE VI/Urban Revitalization Demonstration Program, and that has not been obligated by the agency, to demolish, reconfigure, or reduce the density of any public housing project owned by the agency: *Provided further*, That of the amounts earmarked under this head for modernization of existing public housing projects, \$15,000,000 shall be used for the Tenant Opportunity Program: *Provided further*, That of the total amount provided under this head, \$862,125,000 shall be available for non-incremental rental assistance under the section 8 housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)): *Provided further*, That notwithstanding any other provision of law, voucher assistance provided under the preceding proviso may be used in connection with legislation enacted after the effective date of this Act that authorizes assistance for such purpose, as determined by the Secretary: *Provided further*, That of the total amount provided under this head, \$1,440,770,000 shall be for special needs housing: *Provided further*, That the amount earmarked under the preceding proviso 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 supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959, as amended; capital advances, including amendments to capital advance contracts, and project rental assistance, including amendments to contracts for project rental assistance, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act; and housing opportunities for persons with AIDS under title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act: *Provided further*, That of the funds earmarked in this appropriations Act for special needs housing, the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance) that the Secretary determines is not necessary to achieve the 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: *Provided further*, That the Secretary may use up to \$200,000,000 from unobligated carryover balances under this heading as of September 30, 1995, for assistance for State or local units of government, tenant and nonprofit organizations to purchase projects where owners have indicated an intention to prepay mortgages and for assistance to be used as an incentive to prevent prepayment or for vouchers to aid eligible tenants adversely affected by mortgage prepayment, as authorized under preservation legislation enacted subsequent to this Act: *Provided further*, That of the total amount provided under this head, \$10,000,000 shall be for the lead-based paint hazard reduction program as authorized under section 1053 of the Residential Lead-Based Paint Hazard Reduction Act of 1992: *Provided further*, That of the total amount provided

under this head, \$17,300,000 shall be available for fees for coordinators under section 23(h)(1) for the Family Self-sufficiency Program (42 U.S.C. 1437u): *Provided further*, That of the total amount provided under this head, \$4,641,589,000 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: *Provided further*, That such amounts shall be merged with funds referenced in section 204 of this title: *Provided further*, That the Secretary of Housing and Urban Development may reserve amounts available for the renewal of assistance under section 8 of the United States Housing Act of 1937 and may use such amounts, upon the termination or expiration of a contract for assistance under section 8 of the United States Housing Act of 1937 (other than a contract for tenant-based assistance and notwithstanding section 8(v) of such Act for loan management assistance), to provide voucher assistance under section 8(o) of such Act in the market area for a number of eligible families equal to the number of units covered by the terminated or expired contract, which assistance shall be in accordance with terms and conditions prescribed by the Secretary: *Provided further*, That notwithstanding any other provision of law, assistance reserved under the preceding proviso may be used in connection with any provision of Federal law enacted after the enactment of this Act that authorizes the use of rental assistance amounts in connection with such terminated or expired contracts: *Provided further*, That of the total amount provided under this head, \$610,575,000 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.】

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, \$5,594,358,000, to remain available until expended: Provided, That of the total amount provided under this head, \$200,000,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb): Provided further, That of the total amount provided under this head, \$2,510,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l), including up to \$30,000,000 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 and Indian 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 and Indian housing program and support of a public housing institution to provide such training, technical assistance, and education, and training and technical assistance to assist public housing agencies in avoiding designation as troubled agencies and in qualifying for removal of such designation: Provided further, That of the total amount provided under this head, \$240,000,000 shall be for new incremental rental subsidy contracts under the section 8 existing housing certificate program and the housing voucher program under section 8 of the Act, except that such amounts shall be used only for units necessary to provide housing assistance for residents to be relocated from existing federally subsidized or assisted housing, for replacement housing for units demolished or disposed of (including units to be

disposed of pursuant to a homeownership program under section 5(h) or title III of the United States Housing Act of 1937) from the public housing inventory, for funds related to litigation settlements or court orders, for the conversion of section 23 projects to assistance under section 8, and for public housing agencies to implement allocation plans approved by the Secretary for designated housing, and for funds to carry out the family unification program: Provided further, That of the total amount provided under this head, \$500,000,000 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; \$261,000,000 shall be for section 8 assistance and rehabilitation grants for property disposition; and \$624,000,000 shall be for assistance for State or local units of government (including public housing authorities), tenant and nonprofit organizations to purchase projects where owners have indicated an intention to prepay mortgages and for assistance to be used as an incentive to prevent prepayment or for vouchers (not to exceed \$74,000,000) to aid eligible tenants adversely affected by mortgage prepayment, as authorized in the Emergency Low-Income Housing Preservation Act of 1987, as amended: Provided further, That of the foregoing amount, up to \$20,000,000 shall be available for preservation technical assistance grants pursuant to section 253 of the Housing and Community Development Act of 1987, as amended, and that the Secretary may designate funding to carry out plan of actions approved prior to October 1, 1995, to permit purchases of projects by non-profit organizations or tenant organizations, which are awaiting funding, and which, to the Secretary's satisfaction, will be unable to be closed without immediate obligation of funding heretofore applied for and approved: Provided further, That with respect to the \$624,000,000 appropriated in the preceding proviso, if the Secretary determines that the demand for funding may exceed amounts available for such funding, the Secretary (1) may determine priorities for distributing available funds, including the discretion to give priority funding to tenants displaced due to mortgage prepayment and to projects that have not yet been funded but to which funding has been committed; and (2) may impose a temporary moratorium on applications by potential recipients of such funding: Provided further, That during fiscal year 1996, the Secretary of Housing and Urban Development may manage and dispose of multifamily properties owned by the Secretary and multifamily mortgages held by the Secretary as of October 1, 1995 without regard to any other proviso of law: Provided further, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section: Provided further, That of the total amount provided under this head, \$171,000,000 shall be for housing opportunities for persons with AIDS under title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act; and \$75,000,000 shall be for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992. VerDate 20-SEP-95 02:15 Oct 03, 1995 Jkt

Of the total amount provided under this head, \$780,190,000 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 supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959; and \$233,168,000 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; and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act: Provided, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance) that the Secretary determines is not necessary to achieve the 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.

PUBLIC HOUSING DEMOLITION, SITE REVITALIZATION, AND REPLACEMENT HOUSING GRANTS
(INCLUDING TRANSFER OF FUNDS)

For grants to public housing agencies for the purpose of enabling 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 for the purpose of providing replacement housing and assisting tenants to be displaced by the demolition, \$500,000,000, to remain available until expended: Provided, That the Secretary shall award such funds to public housing agencies by a competition which includes among other relevant criteria the local and national impact of the proposed demolition and revitalization activities and the extent to which the public housing agency could undertake such activities without the additional assistance to be provided hereunder: Provided further, That eligible expenditures hereunder shall be those expenditures eligible under section 8 and section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437f and l): Provided further, That the Secretary may impose such conditions and requirements as the Secretary deems appropriate to effectuate the purpose of this paragraph: Provided further, That the Secretary may require an agency selected to receive funding to make arrangements satisfactory to the Secretary for use of an entity other than the agency to carry out this program where the Secretary determined that such action will help to effectuate the purpose of this paragraph: Provided further, That in the event an agency selected to receive funding does not proceed expeditiously as determined by the Secretary, the Secretary shall withdraw any unobligated balances of funding made available pursuant to this paragraph and distribute such funds to one or more other eligible agencies: Provided further, That of the foregoing \$500,000,000, the Secretary may use up to .67 per centum for technical assistance, 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 residents: Provided further, That any replacement housing provided with assistance under this head shall be subject to section 18(f) of the United States Housing Act

of 1937, as amended by section 201(b)(2) of this Act.

ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS
(INCLUDING TRANSFER OF FUNDS)

For assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) not otherwise provided for, for use in connection with expiring section 8 subsidy contracts, \$4,350,862,000, to remain available until expended: Provided, That to the extent the amount in this appropriation is insufficient to fund all expiring section 8 contracts, the Secretary may transfer to and merge with this appropriation such amounts from the "Annual contributions for assisted housing" appropriation as the Secretary shall determine, and amounts earmarked in the foregoing account may be reduced accordingly, at the Secretary's discretion: Provided further, That the Secretary may maintain consolidated accounting data for funds disbursed at the public housing agency or Indian housing authority or project level for subsidy assistance regardless of the source of the disbursement so as to minimize the administrative burden of multiple accounts: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to renewals of housing vouchers during fiscal year 1996.

FLEXIBLE SUBSIDY FUND
(INCLUDING TRANSFER OF FUNDS)

For the development of public housing section 236(j) of the National Housing Act, as amended, all uncommitted balances of excess rental charges as of September 30, 1995, and any collections during fiscal year 1996 shall be transferred, as authorized under such section, to the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended.

RENTAL HOUSING ASSISTANCE
(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 1996 by not more than \$2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts: Provided, That up to \$163,000,000 of recaptured section 236 budget authority resulting from the prepayment of mortgages subsidized under section 236 of the National Housing Act (12 U.S.C. 1715z-1) shall be rescinded in fiscal year 1996.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For payments to public housing agencies and Indian housing authorities 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), [\$2,500,000,000] \$2,800,000,000.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

For grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901-11908, 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, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training): Provided, That after setting aside amounts in 42 U.S.C. 11909(b) for grants for federally assisted low-income housing, the Secretary, notwithstanding 42 U.S.C. 11904, may provide grants through a formula taking into account the needs of public housing agencies for anti-crime funding, and the amount of funding public

housing agencies have received under this heading during fiscal years 1993, 1994, and 1995, but which does not exclude an eligible agency that has not received funding during that period: 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.

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, \$1,400,000,000, to remain available until expended.

[HOUSING COUNSELING ASSISTANCE

For contracts, grants, and other assistance, other than loans, not otherwise provided for, for providing counseling and advice to tenants and homeowners—both current and prospective—with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106 of the Housing and Urban Development Act of 1968, as amended, \$12,000,000, notwithstanding section 106(c)(9) and section 106(d)(13), of such Act.]

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, \$3,000,000, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739): 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 \$36,900,000.

HOMELESS ASSISTANCE

HOMELESS ASSISTANCE GRANTS

For grants awarded or allocated by the Secretary of Housing and Urban Development, through a competition or by formula, for the purpose of providing housing and services for homeless individuals and families to be delivered by entities eligible to receive assistance under, and to fund eligible activities described in, the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), 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); and the innovative homeless initiatives demonstration program (as described in sections 2(a)-2(f) of the HUD Demonstration Act of 1993 (Public Law 103-120)), \$676,000,000] \$760,000,000, to remain available until expended. To the extent the Secretary determines to use a formula under this heading, the Secretary shall use the existing formula as provided under the Emergency Shelter Grants program under section 413 of the Stewart B. McKinney Homeless Assistance Act and promulgate any rules under the rulemaking procedures under section 553 of title 5, United States Code. The Secretary shall report, within one year of the date of enactment, on ways to merge the homeless assistance programs under the Stewart B. McKinney Homeless Assistance Act with the VerDate 20-S&P

HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act.

COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT GRANTS
(INCLUDING TRANSFER OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), \$4,600,000,000, to remain available until September 30, 1998: *Provided*, That **[\$46,000,000]** \$60,000,000 shall be available for grants to Indian tribes pursuant to section 106(a)(1) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), \$2,000,000 shall be available as a grant to the Housing Assistance Council, \$1,000,000 shall be available as a grant to the National American Indian Housing Council, and **[\$19,500,000]** \$27,000,000 shall be available for "special purpose grants" pursuant to section 107 of such Act: *Provided further*, That not to exceed 20 per centum of any grant made with funds appropriated herein (other than a grant using funds under section 107(b)(3) of such Act shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department of Housing and Urban Development: *Provided further*, That section 105(a)(25) of such Act, as added by section 907(b)(1) of the Cranston-Gonzalez National Affordable Housing Act, shall continue to be effective after September 30, 1995, notwithstanding section 907(b)(2) of such Act.

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to \$80,000,000 for grants to public and Indian housing agencies for a supportive services program to assist residents of public and assisted housing and former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f) become self-sufficient: Provided, That the program shall provide supportive services 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*, That the supportive services shall include coordinated educational, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: *Provided further*, That the Secretary shall require applicants 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 head 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 program, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary: *Provided further*, That of the amount made available under this paragraph, \$12,000,000 shall be available for contracts, grants, and other assistance, other than loans, not otherwise provided for, for providing counseling and advice to tenants and homeowners both current and prospective, with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing condi-

tions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106 of the Housing and Urban Development Act of 1968, as amended, notwithstanding section 106(c)(9) and section 106(d)(13) of such Act. Of the amount provided under this heading, notwithstanding any other provision of law, \$40,000,000 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 shall be an eligible activity with respect to any funds made available under this heading. Of the amount provided under this heading, notwithstanding any other provision of law, \$80,000,000 shall be available for Economic Development Initiative grants as authorized by section 232 of the Multifamily Housing Property Disposition Reform Act of 1994, Public Law 103-233, on a competitive basis as required by section 102 of the HUD Reform Act.

For the cost of guaranteed loans, **[\$10,500,000]** \$15,750,000, 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 **[\$1,000,000,000]** \$1,500,000,000. In addition, for administrative expenses to carry out the guaranteed loan program, **[\$225,000]** \$675,000 which shall be transferred to and merged with 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, \$34,000,000, to remain available until September 30, 1997.

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, \$30,000,000, to remain available until September 30, 1997.]

MANAGEMENT AND ADMINISTRATION
SALARIES AND EXPENSES
(INCLUDING TRANSFERS 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, **[\$951,988,000]** \$980,777,000, of which **[\$505,745,000]** \$532,782,000 shall be provided from the various funds of the Federal Housing Administration, and **[\$8,824,000]** \$9,101,000 shall be provided from funds of the Government National Mortgage Association, and **[\$225,000]** \$675,000 shall be provided from the Community Development Grants Program account.

OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, **[\$47,388,000]** \$48,251,000, of which **[\$10,961,000]** \$11,283,000 shall be transferred from the various funds of the Federal Housing Administration.

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, \$14,895,000, to remain available until expended, from the Federal Housing Enterprise Oversight Fund: Provided, That such amounts shall be collected by the Director as authorized by section 1316 (a) and (b) of such Act, and deposited in the Fund under section 1316(f) of such Act.]

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM
ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1996, 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: *Provided*, That during fiscal year 1996, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$4,000,000,000, which notes were originally insured under section 203(b) of the National Housing Act: *Provided further*, That an amount equal to any negative subsidies resulting from the sale of such assigned mortgage notes during fiscal year 1996 may be added to and merged with funds otherwise provided relating to the disposition of properties or notes under this heading, as may be allocated by the Secretary of Housing and Urban Development.

During fiscal year 1996, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$200,000,000: *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 section 203 of such Act.

For administrative expenses necessary to carry out the guaranteed and direct loan program, **[\$308,846,000]** \$341,595,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed **[\$308,290,000]** \$334,483,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed **[\$6,790,000]** \$7,112,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM
ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

[Total] 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 modifying such loans, \$100,000,000, to remain available until expended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal any part of which is to be guaranteed [shall not] of not to exceed **[\$15,000,000,000]** \$17,400,000,000: *[Provided]* *Provided further*, That during fiscal year 1996, the Secretary shall sell assigned notes having an unpaid principal balance of up to \$4,000,000,000, which notes were originally obligations of the funds established under sections 238 and 519 of the National Housing Act: *Provided further*, That an amount equal to any negative subsidies resulting from the sale of such assigned notes during fiscal year 1996 may be added to and merged with funds otherwise provided relating to the disposition of properties or notes under this heading, including the credit subsidies associated with the sale of such properties or notes with loan guarantees and amounts otherwise available for credit subsidies under this heading, as may be

allocated by the Secretary of Housing and Urban Development: *Provided further*, That any amounts made available in any prior appropriation Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been [made available for obligation] *obligated* or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts[: *Provided further*, That any amounts of negative subsidy resulting in fiscal year 1996 from the sales of assigned mortgage notes or insurance actions that exceed the amounts of negative subsidy determined to be generated during such fiscal year, based on the assumptions specified in the President's Budget for such fiscal year, shall be available to the Secretary for the costs of any note sales or insurance actions, without regard to whether the source of the negative subsidy amount is a note sale or insurance action, and the last proviso of this paragraph shall not apply to such amounts so used in connection with insurance actions: *Provided further*, That during fiscal year 1996, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$2,600,000,000, which notes were originally obligations of the funds established under sections 238 and 519 of the National Housing Act: *Provided further*, That of the amount appropriated herein, an amount equal to the lesser of \$52,000,000 or the excess of net proceeds above the value of holding the loans to maturity, such value established using assumptions specified in the President's fiscal year 1996 Budget adjusted for interest rates at the time of the sale, shall become available only after such sale has been completed.]

In addition, for the cost of guarantees for loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), \$69,620,000, *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.]

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(a) of the National Housing Act, shall not exceed \$120,000,000; of which not to exceed \$100,000,000 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, [\$197,470,000] \$202,470,000, of which [\$197,455,000] \$198,299,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which \$4,171,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT (INCLUDES TRANSFER OF FUNDS)

During fiscal year 1996, 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 \$110,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, [\$8,824,000] \$9,101,000, to be derived from the GNMA—guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed [\$8,824,000] \$9,101,000 shall be transferred to

the appropriation for departmental salaries and expenses.

ADMINISTRATIVE PROVISIONS (INCLUDING TRANSFER OF FUNDS)

[SEC. 201. PUBLIC HOUSING. (a) CEILING RENTS.—Notwithstanding section 3(a) of the United States Housing Act of 1937, as amended, public housing agencies shall provide that the amount of rent paid by a family occupying a dwelling unit in public housing during fiscal year 1996 does not exceed the maximum monthly rental amount, which shall be established for the dwelling unit by the public housing agency that owns or administers the unit and may not exceed an amount determined by the agency based upon—

[(1) the average, for dwelling units of similar size in public housing developments owned and operated by such agency, of any monthly amount of debt service and operating expenses attributable to such units;

[(2) the reasonable rental value of the unit; or

[(3) the local market rent for comparable units of similar size.

[(b) DEMOLITION AND DISPOSITION.—

[(1) INAPPLICABILITY OF REPLACEMENT RULE.—With respect to any application under section 18 of the United States Housing Act of 1937, as amended, for the demolition or disposition of public housing, including an application submitted under paragraph (3), that is approved during fiscal year 1996, the provisions of subsection (b)(3) of such section shall not apply with respect to—

[(A) the approval of such application; or
[(B) the demolition or disposition of any public housing pursuant to such application.

[(2) CONFORMING PROVISION.—The requirement under section 18(d) of such Act that a public housing agency satisfy the conditions specified in section 18(b)(3) of such Act as a condition of taking action to demolish or dispose of public housing shall not apply with respect to any application under such section 18 approved during such fiscal year.

[(3) AUTHORITY TO RESUBMIT APPLICATIONS.—Any public housing agency that, before fiscal year 1996, submitted to the Secretary an application under section 18 of such Act for demolition or disposition of public housing may (regardless of whether such application has been approved) at any time during fiscal year 1996 submit an application subject to the provisions of this subsection that covers some or all of the property covered by such previous application and, to the extent the same property is covered by both applications, the Secretary shall treat the latter application as replacing the previous application.

[(c) APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, as amended, the provisions of this section shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

[SEC. 202. RENTAL ASSISTANCE UNDER SECTION 8 OF UNITED STATES HOUSING ACT OF 1937. (a) INCREASE OF FAMILY RENTAL PAYMENT.—Notwithstanding sections 3(a) and 8(o)(2) of the United States Housing Act of 1937, as amended, effective for fiscal year 1996—

[(1) public housing agencies shall increase to 32 percent the percentage of the family's monthly adjusted income used in determining—

[(A) the amount of monthly rent required to be paid by each family who is assisted under the certificate or moderate rehabilitation program under section 8 of such Act; and

[(B) the amount of the monthly assistance payment for each family who is assisted

under the voucher program under section 8 of such Act; and

[(2) owners of housing assisted under other programs for rental assistance under section 8 of such Act shall increase to 32 percent the percentage of a family's adjusted monthly income used in determining the rent required to be paid by each family assisted under any such program.

[(b) MINIMUM RENTS.—Notwithstanding subsection (a) of this section or sections 3(a) and 8(o)(2) of the United States Housing Act of 1937, as amended, effective for fiscal year 1996 and no later than October 30, 1995—

[(1) public housing agencies shall require each family who is assisted under the certificate or moderate rehabilitation program under section 8 of such Act to pay for monthly rent an amount that is not less than the sum of \$50 for the unit;

[(2) public housing agencies shall reduce the monthly assistance payment on behalf of each family who is assisted under the voucher program under section 8 of such Act so that the family pays for monthly rent an amount that is not less than the sum of \$50 for the unit; and

[(3) owners of housing assisted under other programs for rental assistance under section 8 of such Act shall require each family who is assisted under such program to pay for monthly rent an amount that is not less than the sum of \$50 for the unit.

[(c) FAIR MARKET RENTALS.—The Secretary shall establish fair market rentals for purposes of section 8(c)(1) of the United States Housing Act of 1937, as amended, that shall be effective for fiscal year 1996 and shall be based on the 40th percentile rent of rental distributions of standard quality rental housing units. In establishing such fair market rentals, the Secretary shall consider only the rents for dwelling units occupied by recent movers and may not consider the rents for public housing dwelling units or newly constructed rental dwelling units.

[(d) ANNUAL ADJUSTMENTS.—Section 8(c)(2)(A) of the United States Housing Act of 1937, as amended (42 U.S.C. 437f(c)(2)(A)) is further amended—

[(1) in the third sentence by inserting "and fiscal year 1996" after "1995"; and

[(2) in the last sentence by inserting "and fiscal year 1996" after "1995".

[(e) ADMINISTRATIVE FEES.—Notwithstanding the second sentence of section 8(q)(1) of the United States Housing Act of 1937, as amended, for fiscal year 1996, the portions of the fees for costs incurred by public housing agencies in administering the certificate, voucher, and moderate rehabilitation programs under section 8 shall not exceed 7.0 percent of the fair market rental established for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency.

[(f) DELAY OF ISSUANCE AND REISSUANCE OF VOUCHERS AND CERTIFICATES.—Notwithstanding any other provision of law, a public housing agency administering certificate or voucher assistance provided under subsection (b) or (o) of section 8 of the United States Housing Act of 1937, as amended, shall delay—

[(1) until October 1, 1996, the initial issuance of any such tenant-based assistance representing incremental assistance allocated in fiscal year 1996; and

[(2) for 6 months, the use of any amounts of such assistance (or the certificate or voucher representing assistance amounts) made available by the termination during fiscal year 1996 of such assistance on behalf of any family for any reason, but not later than October 1, 1996.

[SEC. 203. PREFERENCES FOR HOUSING ASSISTANCE. (a) PUBLIC HOUSING.—

[(1) IN GENERAL.—During fiscal year 1996, dwelling units in public housing that are available for occupancy shall be made available—

[(A) without regard to the requirements regarding preferences set forth in section 6(c)(4)(A) of the United States Housing Act of 1937, as amended; and

[(B) subject to a system of preferences that the public housing agency for the public housing may establish, which shall be based upon local housing needs and priorities, as determined by the agency.

[(2) APPLICABILITY.—Paragraph (1)(B) shall not apply to projects or portions of projects designated for occupancy pursuant to section 7(a) of the United States Housing Act of 1937, as amended, for which the Secretary has determined that application of such paragraph would result in excessive delays in meeting the housing need of such families. In accordance with section 201(b)(2) of the United States Housing Act of 1937, as amended, the provisions of this subsection shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

[(b) SECTION 8 ASSISTANCE.—During fiscal year 1996, the selection of families for assistance under section 8 of the United States Housing Act of 1937, as amended—

[(1) shall not be subject to the requirements regarding preferences set forth in sections 8(d)(1)(A) and 8(o)(3)(B) of the United States Housing Act of 1937, as amended; and

[(2) shall be subject to a system of preferences that may be established by the public housing agency administering such assistance, which shall be based upon local housing needs and priorities, as determined by the agency.

[(c) CONFORMING PROVISIONS.—Each reference in sections 6(o), 7(a)(2), 7(a)(3), 8(d)(2)(A), 8(d)(2)(H), 16(c), and 24(e)(2) of the United States Housing Act of 1937, as amended, sections 212(a)(3), 217(c)(2)(B), 225(d)(3), 455(a)(2)(D)(iii), 522(f)(6)(B), and 522(j)(2)(A) of the Cranston-Gonzalez National Affordable Housing Act, section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990, section r03(g)(2) of the Housing and Community Development Amendments of 1978, and section 655 of the Housing and Community Development Act of 1992, to the preferences under section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(3)(B) of the United States Housing Act of 1937, as amended, shall be considered, during fiscal year 1996, to refer to the applicable preferences established (if any) under the subsections (a)(1)(B) and (b)(2).

[(d) NEW CONSTRUCTION/SUBSTANTIAL REHABILITATION HOUSING.—During fiscal year 1996, dwelling units in housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937, as amended (as such section existed before October 1, 1983) and projects financed under section 202 of the Housing Act of 1959 (as such section existed before the enactment of the Cranston-Gonzalez National Affordable Housing Act) shall be made available for occupancy without regard to section 545(c) of the Cranston-Gonzalez National Affordable Housing Act and no other provision of law relating to Federal tenant selection preferences shall apply to such housing.

[(e) RENT SUPPLEMENTS.—During fiscal year 1996, section 101(k) of the Housing and Urban Development Act of 1965 shall not be effective.

[SEC. 204. MERGER LANGUAGE FOR ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 OF SUBSIDY CONTRACTS AND ANNUAL CON-

TRIBUTIONS FOR ASSISTED HOUSING.—All remaining obligated and unobligated balances in the Renewal of Expiring Section 8 Subsidy Contracts account on September 30, 1995, shall immediately thereafter be transferred to and merged with the obligated and unobligated balances, respectively, of the Annual Contributions for Assisted Housing account.

[SEC. 205. EXTENSION OF HOME EQUITY CONVERSION MORTGAGE PROGRAM.—Section 255(g) of the National Housing Act (12 U.S.C. 1715z-20(g)) is amended—

[(1) in the first sentence, by striking "September 30, 1995" and inserting "September 30, 1996"; and

[(2) in the second sentence, by striking "\$25,000" and inserting "\$30,000".

[SEC. 206. DEBT FORGIVENESS.—(a) The Secretary of Housing and Urban Development shall cancel the indebtedness of the Hubbard Hospital Authority of Hubbard, Texas, relating to the public facilities loan for Project Number PFL-TEX-215, issued under title II of the Housing Amendments of 1955. Such hospital authority is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any fees and charges payable in connection with such loan.

[(b) The Secretary of Housing and Urban Development shall cancel the indebtedness of the Groveton Texas Hospital Authority relating to the public facilities loan for Project Number TEX-41-PFL0162, issued under title II of the Housing Amendments of 1955. Such hospital authority is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any fees and charges payable in connection with such loan.

[SEC. 207. DELAYING OUTLAYS FOR PUBLIC HOUSING DEVELOPMENT.—During fiscal year 1996, a public housing agency or Indian housing authority may slow the rate at which it develops a project that the Secretary has approved under 24 C.F.R. Part 941 in order to slow the rate at which such agency or authority takes actions resulting in outlays of amounts appropriated under the head "Annual contributions for assisted housing" in this title or any prior appropriation Act, and the Secretary may allow such agency or authority to develop a project at such a slow rate, notwithstanding 24 C.F.R. Sec. 941.405(d).

[SEC. 208. ASSESSMENT COLLECTION DATES FOR OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT.—Section 1316(b) of the Housing and Community Development Act of 1992 (12 U.S.C. 4516(b)) is amended by striking paragraph (2) and inserting the following new paragraph:

"(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually for each fiscal year, on October 1st and April 1st."

[SEC. 209. SPENDING LIMITATIONS.—(a) None of the funds provided in this Act may be used during fiscal year 1996 to sign, promulgate, implement, or enforce any requirement or regulation relating to the application of the Fair Housing Act (42 U.S.C. 3601, et seq.) to the business of property insurance, or for any activity pertaining to property insurance.

[(b) None of the funds appropriated by this Act may be expended by the Department for the purpose of finalizing the Department's proposed rule dated July 21, 1994 regarding amendments to Regulation X, the Real Estate Settlement Procedures Regulation, or for the purpose of developing or issuing any interpretive rule with respect to any of the four issues denominated in the preamble to the proposed rule.

[(c) None of the funds provided in this Act may be used in fiscal year 1996 for the remun-

eration of more than seven Assistant Secretaries at the Department of Housing and Urban Development, notwithstanding section 4(a) of the Department of Housing and Urban Development Act.

[(d) None of the funds provided in this Act may be used in fiscal year 1996 for the remuneration of more than 94 schedule C and non-career senior executive service employees at the Department of Housing and Urban Development.

[(e) None of the funds made available in this Act may be used by the Secretary to take, impose, or enforce, or to investigate taking, imposing, or enforcing any action, sanction, or penalty against any State or unit of general local government (or any entity or agency thereof) because of the enactment, enforcement, or effectiveness of any State or local law or regulation requiring the spoken or written use of the English language or declaring English as the official language.

[(f) No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

[SEC. 210. CLARIFICATIONS.—For purposes of Federal law, the Paul Mirabile Center in San Diego, California, including areas within such Center that are devoted to the delivery of supportive services, has been determined to satisfy the "continuum of care" requirements of the Department of Housing and Urban Development, and shall be treated as:

[(a) consisting solely of residential units that (i) contain sleeping accommodations and kitchen and bathroom facilities, (ii) are located in a building that is used exclusively to facilitate the transition of homeless individuals (within the meaning of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302)) to independent living within 24 months, (iii) are suitable for occupancy, with each cubicle constituting a separate bedroom and residential unit, (iv) are used on other than a transient basis, and (v) shall be originally placed in service on August 1, 1995; and

[(b) property that is entirely residential rental property, namely, a project for residential rental property.

[SEC. 211. EXTENSION OF MULTIFAMILY HOUSING FINANCE PROGRAMS.—(a) Section 542(b)(5) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking "on not more than 15,000 units over fiscal years 1993 and 1994" and inserting "on not more than 7,500 units during fiscal year 1996".

[(b) Section 542(c)(4) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking "on not to exceed 30,000 units over fiscal years 1993, 1994, and 1995" and inserting "on not more than 10,000 units during fiscal year 1996".

[SEC. 212. DOCUMENTATION OF MULTIFAMILY REFINANCINGS.—Notwithstanding the 16th paragraph under the item relating to "ADMINISTRATIVE PROVISIONS" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103-327; 108 Stat. 2316), the amendments to section 223(a)(7) of the National Housing Act made by the 15th paragraph of such Act shall be effective during fiscal years 1996 and thereafter. **]**

SEC. 201. EXTEND ADMINISTRATIVE PROVISIONS FROM THE RESCISSION ACT.

(a) PUBLIC AND INDIAN HOUSING MODERNIZATION.—

(1) EXPANSION OF USE OF MODERNIZATION FUNDING.—Subsection 14(q) of the United States Housing Act of 1937 is amended to read as follows:

"(q)(1) In addition to the purposes enumerated in sections 14(a), 14(b), and 5(a), a publicVerDate 20-SEP-

housing agency may use modernization assistance provided under section 14, and development assistance provided under section 5(a), for any eligible activity authorized by either of those sections or by applicable Appropriations Acts, including the demolition, rehabilitation, revitalization, and replacement of existing units and projects and, for up to 10 percent of its allocation of such funds in any fiscal year, for any operating subsidy purpose authorized in section 9. Units and projects assisted hereunder shall be for low-income families and shall be eligible for operating subsidies subject to the availability of appropriated funds.

(2) A public housing agency may provide assistance to developments that include units for other than low-income families, hereinafter called "mixed income developments", in the form of a grant, loan, or other form of investment which may be made to: (A) the public housing agency or an affiliate controlled by it; (B) a partnership, a limited liability company, or other legal entity in which the public housing agency or its affiliate is a general partner, managing member, or otherwise significantly directs the activities of such entity; or (C) any entity which grants to the public housing agency the option to purchase the development within 20 years after initial occupancy in accordance with section 42(l)(7) of the Internal Revenue Code of 1986, as amended: Provided, That units shall be made available in such developments for periods of not less than 20 years, by master contract or by individual lease, for occupancy by low-income families referred from time to time by the public housing agency; the number of such units shall be either: (i) in the same proportion to the total number of units in such development that the financial assistance provided by the public housing agency bears to the total equity investment in the development, or (ii) not be less than the number of units that could have been developed under the conventional public housing program with the assistance involved, or (iii) as may otherwise be approved by the Secretary.

(3) A mixed income development may elect to have all units subject only to the applicable local real estate taxes, notwithstanding that the low-income units assisted by public housing funds would otherwise be subject to section 6(d) of the Housing Act of 1937."

(2) EXTENSION OF AUTHORITY.—Section 1001(b) of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Antiterrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City, and Rescissions Act, 1995 (109 Stat. 235), is amended to read as follows:

(b) APPLICABILITY.—Section 14(q) of the United States Housing Act of 1937, as added by subsection (a) of this section, shall be effective only with respect to assistance provided from funds made available for fiscal year 1996 or any preceding fiscal year."

(3) APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendment made by subsection (a) shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority."

(b) ONE-FOR-ONE REPLACEMENT OF PUBLIC AND INDIAN HOUSING.—

(1) PERMANENT AUTHORITY.—Section 1002 of Public Law 104-19 is amended to read as follows:

"(d) Subsections (a), (b), and (c) shall be effective for applications for the demolition, disposition, or conversion to homeownership of public housing approved by the Secretary, and other consolidation and relocation activities of public housing agencies undertaken on, before, or after September 30, 1995 and before September 30, 1996."

(2) Section 18(f) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "No one may rely on the preceding sentence as the basis for reconsid-

ering a final order of a court issued, or a settlement approved by a court."

(3) APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by this section and by sections 1002 (a), (b), and (c) of Public Law 104-19 shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

SEC. 202. PUBLIC HOUSING RENTS AND INCOME TARGETING.

(a) MINIMUM RENTS.—Section 3(a)(1) of the United States Housing Act of 1937 is amended by inserting at the end the following new sentence: "Notwithstanding the previous sentence, the Secretary shall permit a public housing agency to charge a family residing in public housing up to \$25 as rent."

(b) ESTABLISHMENT OF CEILING RENTS.—Section 3(a)(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2) Notwithstanding paragraph (1), a public housing agency may—

"(A) adopt ceiling rents that reflect the reasonable market value of the housing, but that are not less than the monthly costs—

"(i) to operate the housing of the agency; and

"(ii) to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

"(B) allow families to pay ceiling rents referred to in subparagraph (A), unless, with respect to any family, the ceiling rent established under this paragraph would exceed the amount payable as rent by that family under paragraph (1)."

(c) DEFINITION OF ADJUSTED INCOME.—Section 3(b)(5) of the United States Housing Act of 1937 is amended—

(1) at the end of subparagraph (F), by striking "and";

(2) at the end of subparagraph (G), by striking the period and inserting "; and"; and

(3) by inserting after subparagraph (G) the following:

"(H) for public housing, and other adjustments to earned income established by the public housing agency.

If a public housing agency adopts other adjustments to income pursuant to subparagraph (H), the Secretary (i) shall not take into account any reduction of or increase in the public housing agency's per unit dwelling rental income resulting from those adjustments when calculating the contributions under section 9 for the public housing agency for the operation of the public housing."

(d) REPEAL OF FEDERAL PREFERENCES.—

(1) PUBLIC HOUSING.—

(A) IN GENERAL.—Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended to read as follows:

"(A) the establishment, after public notice and an opportunity for public comment, of written system of preferences for admission to public housing, if any, that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;"

(B) APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, section 6(c)(4)(A) of the United States Housing Act of 1937, as amended by paragraph (1), shall apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

(2) SECTION 8 EXISTING AND MODERATE REHABILITATION.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

"(A) the selection of tenants shall be the function of the owner, subject to the provisions of the annual contributions contract between the Secretary and the agency, except that for the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may estab-

lish, after public notice and an opportunity for public comment, written system of preferences for selection that are not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;"

(3) SECTION 8 VOUCHER PROGRAM.—Section 8(o)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)(B)) is amended to read as follows:

"(B) For the purpose of selecting families to be assisted under this subsection, the public housing agency may establish, after public notice and an opportunity for public comment, written system of preferences for selection that are not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act."

(4) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(A) REPEAL.—Section 545(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended to read as follows:

"(c) [Reserved]."

(B) PROHIBITION.—Notwithstanding any other provision of law, no Federal tenant selection preferences shall apply with respect to—

(i) housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937 (as such section existed on the day before October 1, 1983); or

(ii) projects financed under section 202 of the Housing Act of 1959 (as such section existed on the day before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act).

(5) RENT SUPPLEMENTS.—Section 101(k) of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is amended to read as follows:

"(k) [Reserved]."

(6) CONFORMING AMENDMENTS.—

(A) UNITED STATES HOUSING ACT OF 1937.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(i) in section 6(o), by striking "preference rules specified in" and inserting "written selection criteria established pursuant to";

(ii) in section 7(a)(2), by striking "according to the preferences for occupancy under" and inserting "in accordance with the written selection criteria established pursuant to";

(iii) in section 7(a)(3), by striking "who qualify for preferences for occupancy under" and inserting "who meet the written selection criteria established pursuant to";

(iv) in section 8(d)(2)(A), by striking the last sentence;

(v) in section 8(d)(2)(H), by striking "notwithstanding subsection (d)(1)(A)(i), an" and inserting "An";

(vi) in section 16(c), in the second sentence, by striking "the system of preferences established by the agency pursuant to section 6(c)(4)(A)(ii)" and inserting "the written selection criteria established by the public housing agency pursuant to section 6(c)(4)(A)"; and

(vii) in section 24(e)—

(I) by striking "(e) EXCEPTIONS." and all that follows through "The Secretary may" and inserting the following:

"(e) EXCEPTION TO GENERAL PROGRAM REQUIREMENTS.—The Secretary may"; and

(II) by striking paragraph (2).

(B) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704 et seq.) is amended—

(i) in section 455(a)(2)(D)(iii), by striking "would qualify for a preference under" and inserting "meet the written selection criteria established pursuant to";

(ii) in section 522(f)(6)(B), by striking "any preferences for such assistance under section 8(d)(1)(A)(i)" and inserting "the written selection criteria established pursuant to section 8(d)(1)(A)"; and VerDate 20-SEP-95 02:15 Oct 03, 1995 Jkt 010199

(C) **LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990.**—The second sentence of section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is amended by striking “requirement for giving preferences to certain categories of eligible families under” and inserting “written selection criteria established pursuant to”.

(D) **HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.**—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking “preferences for occupancy” and all that follows through the period at the end and inserting “selection criteria established by the owner to elderly families according to such written selection criteria, and to near-elderly families according to such written selection criteria, respectively.”

(E) **REFERENCES IN OTHER LAW.**—Any reference in any Federal law other than any provision of any law amended by paragraphs (1) through (5) of this subsection to the preferences for assistance under section 6(c)(4)(A)(i), 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States Housing Act of 1937 (as such sections existed on the day before the date of enactment of this Act) shall be considered to refer to the written selection criteria established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(3)(B), respectively, of the United States Housing Act of 1937, as amended by this section.

(e) **APPLICABILITY.**—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by subsections (a), (b), (c), and (d) of this section shall also apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

SEC. 203. CONVERSION OF CERTAIN PUBLIC HOUSING TO VOUCHERS.

(a) **IDENTIFICATION OF UNITS.**—

(1) Each public housing agency shall identify any public housing developments—

(A) that are on the same or contiguous sites;

(B) that total more than—

(i) 600 dwelling units; or

(ii) in the case of high-rise family buildings or substantially vacant buildings, 300 dwelling units;

(C) that have a vacancy rate of at least 10 percent for dwelling units not in funded on-schedule modernization programs;

(D) identified as distressed housing that the public housing agency cannot assure the long-term viability as public housing through revitalization, density reduction, or achievement of a broader range of household income; and

(E) for which the estimated cost of continued operation and modernization of the developments as public housing exceeds the cost of providing tenant-based assistance under section 8 of the United States Housing Act of 1937 for all families in occupancy, based on appropriate indicators of cost (such as the percentage of total development cost required for modernization).

(b) **IMPLEMENTATION AND ENFORCEMENT.**—

(1) **STANDARDS FOR IMPLEMENTATION.**—The Secretary shall establish standards to permit implementation of this section in fiscal year 1996.

(2) **CONSULTATION.**—Each public housing agency shall consult with the applicable public housing tenants and the unit of general local government in identifying any public housing developments under subsection (a).

(3) **FAILURE OF PHAS TO COMPLY WITH SUBSECTION (a).**—Where the Secretary determines that—

(A) a public housing agency has failed under subsection (a) to identify public housing developments for removal from the inventory of the agency in a timely manner;

(B) a public housing agency has failed to identify one or more public housing developments which the Secretary determines should have been identified under subsection (a); or

(C) one or more of the developments identified by the public housing agency pursuant to sub-

section (a) should not, in the determination of the Secretary, have been identified under that subsection;

the Secretary may designate the developments to be removed from the inventory of the public housing agency pursuant to this section.

(c) **REMOVAL OF UNITS FROM THE INVENTORIES OF PUBLIC HOUSING AGENCIES.**—

(1) Each public housing agency shall develop and carry out a plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a) or subsection (b)(3), over a period of up to five years, from the inventory of the public housing agency and the annual contributions contract. The plan shall be approved by the relevant local official as consistent with the Comprehensive Housing Affordability Strategy under title I of the Housing and Community Development Act of 1992, including a description of any disposition and demolition plan for the public housing units.

(2) The Secretary may extend the deadline in paragraph (1) for up to an additional five years where the Secretary makes a determination that the deadline is impracticable.

(3) The Secretary shall take appropriate actions to ensure removal of developments identified under subsection (a) from the inventory of a public housing agency, if the public housing agency fails to adequately develop a plan under paragraph (1), or fails to adequately implement such plan in accordance with the terms of the plan.

(4) To the extent approved in appropriations, the Secretary may establish requirements and provide funding under the Urban Revitalization Demonstration program for demolition and disposition of public housing under this section.

(5) Notwithstanding any other provision of law, if a development is removed from the inventory of a public housing agency and the annual contributions contract pursuant to paragraph (1), the Secretary may authorize or direct the transfer 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 development pursuant to section 14 of the United States Housing Act of 1937;

(B) in the case of an agency receiving public and Indian housing modernization assistance by formula pursuant to section 14 of the United States Housing Act of 1937, any amounts provided to the agency which are attributable pursuant to the formula for allocating such assistance to the development removed from the inventory of that agency; and

(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 the development pursuant to section 5 of such Act, to the tenant-based assistance program of such agency.

(d) **CONVERSION TO TENANT-BASED ASSISTANCE.**—

(1) The Secretary shall make authority available to a public housing agency to provide tenant-based assistance pursuant to section 8 to families residing in any development that is removed from the inventory of the public housing agency and the annual contributions contract pursuant to subsection (b).

(2) Each conversion plan under subsection (c) shall—

(A) require the agency to notify families residing in the development, consistent with any guidelines issued by the Secretary governing such notifications, that the development shall be removed from the inventory of the public housing agency and the families shall receive tenant-based or project-based assistance, and to provide any necessary counseling for families; and

(B) ensure that all tenants affected by a determination under this section that a development shall be removed from the inventory of a

public housing agency shall be offered tenant-based or project-based assistance and shall be relocated, as necessary, to other decent, safe, sanitary, and affordable housing which is, to the maximum extent practicable, housing of their choice.

(e) **IN GENERAL.**—

(1) The Secretary may require a public housing agency to provide such information as the Secretary considers necessary for the administration of this section.

(2) As used in this section, the term “development” shall refer to a project or projects, or to portions of a project or projects, as appropriate.

(3) Section 18 of the United States Housing Act of 1937 shall not apply to the demolition of developments removed from the inventory of the public housing agency under this section.

SEC. 204. STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.

(a) **“TAKE-ONE, TAKE-ALL”.**—Section 8(t) of the United States Housing Act of 1937 is hereby repealed.

(b) **EXEMPTION FROM NOTICE REQUIREMENTS FOR THE CERTIFICATE AND VOUCHER PROGRAMS.**—Section 8(c) of such Act is amended—

(1) in paragraph (8), by inserting after “section” the following: “(other than a contract for assistance under the certificate or voucher program)”; and

(2) in the first sentence of paragraph (9), by striking “(but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o))” and inserting “, other than a contract under the certificate or voucher program”.

(c) **ENDLESS LEASE.**—Section 8(d)(1)(B) of such Act is amended—

(1) in clause (ii), by inserting “during the term of the lease,” after “(ii)”; and

(2) in clause (iii), by striking “provide that” and inserting “during the term of the lease.”

SEC. 205. (a) FAIR MARKET RENTALS.—The Secretary shall establish fair market rentals for purposes of section 8(c)(1) of the United States Housing Act of 1937, as amended, that shall be effective for fiscal year 1996 and shall be based on the 40th percentile rent of rental distributions of standard quality rental housing units. In establishing such fair market rentals, the Secretary shall consider only the rents for dwelling units occupied by recent movers and may not consider the rents for public housing dwelling units or newly constructed rental dwelling units.

(b) **ANNUAL ADJUSTMENTS.**—Section 8(c)(2)(A) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f(c)(2)(A)) is further amended—

(1) in the third sentence by inserting “and fiscal year 1996” after “1995”;

(2) in the fourth sentence, strike “For” and insert: “Except for assistance under the certificate program, for”;

(3) after the fourth sentence, insert: “In the case of assistance under the certificate program, 0.01 shall be subtracted from the amount of the annual adjustment factor (except that the factor shall not be reduced to less than 1.0), and the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the same market area.”; and

(4) in the last sentence, by

(A) striking “sentence” and inserting “two sentences” and

(B) inserting “and fiscal year 1996” after “1995”.

(c) **ADMINISTRATIVE FEES.**—Notwithstanding the second sentence of section 8(q)(1) of the United States Housing Act of 1937, as amended, for fiscal year 1996, the portions of the fees for costs incurred by public housing agencies in administering the certificate, voucher, and moderate rehabilitation programs under section 8 shall not exceed 7.0 percent of the fair market rental established for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency. VerDate 20-SEP-95 02:15 Oct 03, 1995 Jkt 010195

(d) DELAY OF ISSUANCE AND REISSUANCE OF VOUCHERS AND CERTIFICATES.—Notwithstanding any other provision of law, a public housing agency administering certificate or voucher assistance provided under subsection (b) or (o) of section 8 of the United States Housing Act of 1937, as amended, shall delay for 6 months, the use of any amounts of such assistance (or the certificate or voucher representing assistance amounts) made available by the termination during fiscal year 1996 of such assistance on behalf of any family for any reason, but not later than October 1, 1996; with the exception of any certificates assigned or committed to project based assistance as permitted otherwise by the Act, accomplished prior to the effective date of this Act.

SEC. 206. PUBLIC HOUSING/SECTION 8 MOVING TO WORK DEMONSTRATION.

(a) PURPOSE.—The purpose of this demonstration is to give public housing agencies and the Secretary of Housing and Urban Development the flexibility to design and test various approaches for providing and administering housing assistance that: reduce cost and achieve greater cost effectiveness in Federal expenditures; give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and increase housing choices for lower-income families.

(b) PROGRAM AUTHORITY.—The Secretary of Housing and Urban Development shall conduct a demonstration program under this section beginning in fiscal year 1996 under which up to 30 public housing agencies (including Indian housing authorities) administering the public or Indian housing program and the section 8 housing assistance payments program may be selected by the Secretary to participate. The Secretary shall provide training and technical assistance during the demonstration and conduct detailed evaluations of such agencies in an effort to identify replicable program models promoting the purpose of the demonstration. Under the demonstration, notwithstanding any provision of the United States Housing Act of 1937 except as provided in subsection (d), an agency may combine operating assistance provided under section 9 of the United States Housing Act of 1937, modernization assistance provided under section 14 of such Act, and assistance provided under section 8 of such Act for the certificate and voucher programs, to provide housing assistance for low-income families, as defined in section 3(b)(2) of the United States Housing Act of 1937, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve.

(c) APPLICATION.—An application to participate in the demonstration—

(1) shall request authority to combine assistance under sections 8, 9, and 14 of the United States Housing Act of 1937;

(2) shall be submitted only after the public housing agency provides for citizen participation through a public hearing and, if appropriate, other means;

(3) shall include a plan developed by the agency that takes into account 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—

(A) selecting families to be assisted, which shall require that at least 75 percent of the families selected to participate in the demonstration shall be very low-income families, as defined in section 3(b)(2) of the United States Housing Act of 1937, and at least 50 percent of the families selected shall have incomes that do not exceed 30 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except

that the Secretary may establish income ceilings higher or lower than 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 income;

(B) setting reasonable rents payable by families, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent;

(C) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined;

(D) maintaining a comparable mix of families (by family size) as would have been provided had the amounts not been used under the demonstration;

(E) assuring that housing assisted under the demonstration program meets housing quality standards established or approved by the Secretary; and

(F) other program design features required by the Secretary.

(4) may request assistance for training and technical assistance to assist with design of the demonstration and to agree to cooperate with detailed evaluation.

(d) SELECTION.—In selecting among applications, the Secretary shall take into account the potential of each agency to plan and carry out a program under the demonstration, the relative performance by an agency under the public housing management assessment program under section 6(j) of the United States Housing Act of 1937, and other appropriate factors as determined by the Secretary.

(e) APPLICABILITY OF 1937 ACT PROVISIONS.—

(1) Section 18 of the United States Housing Act of 1937 shall continue to apply to public housing notwithstanding any use of the housing under this demonstration.

(2) Section 12 of such Act shall apply to housing assisted under the demonstration, other than housing occupied by families receiving tenant-based assistance.

(f) EFFECT ON SECTION 8, OPERATING SUBSIDIES, AND COMPREHENSIVE GRANT PROGRAM ALLOCATIONS.—The amount of assistance received under section 8, section 9, or pursuant to section 14 by a public housing agency participating in the demonstration under this part shall not be affected by its participation.

(g) RECORDS, REPORTS, AND AUDITS.—

(1) KEEPING OF RECORDS.—Each agency shall keep such records as the Secretary may prescribe as reasonably necessary to disclose the amounts and the disposition of amounts under this demonstration, to ensure compliance with the requirements of this section, and to measure performance.

(2) REPORTS.—Each agency shall submit to the Secretary a report, or series of reports, in a form and at a time specified by the Secretary. Each report shall—

(A) document the use of funds made available under this section;

(B) provide such data as the Secretary may request to assist the Secretary in assessing the demonstration; and

(C) describe and analyze the effect of assisted activities in addressing the objectives of this part.

(3) ACCESS TO DOCUMENTS BY THE 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 section.

(4) ACCESS TO DOCUMENTS BY THE 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 section.

(h) EVALUATION AND REPORT.—

(1) CONSULTATION WITH PHA AND FAMILY REPRESENTATIVES.—In making assessments throughout the demonstration, the Secretary shall consult with representatives of public housing agencies and residents.

(2) REPORT TO CONGRESS.—Not later than 180 days after the end of the third year of the demonstration, the Secretary shall submit to the Congress a final report evaluating the programs carried out under the demonstration. The report shall also include findings and recommendations for any appropriate legislative action.

(i) FUNDING FOR TECHNICAL ASSISTANCE AND EVALUATION.—From amounts appropriated for assistance under section 14 of the United States Housing Act of 1937 for fiscal years 1996, 1997, and 1998, the Secretary may use up to a total of \$5,000,000—

(1) to provide, directly or by contract, training and technical assistance—

(A) to public housing agencies that express an interest to apply for training and technical assistance pursuant to subsection (c)(4), to assist them in designing programs to be proposed for the demonstration; and

(B) to up to 10 agencies selected to receive training and technical assistance pursuant to subsection (c)(4), to assist them in implementing the approved program; and

(2) to conduct detailed evaluations of the activities of the public housing agencies under paragraph (1)(B), directly or by contract.

SEC. 207. REPEAL OF PROVISIONS REGARDING INCOME DISREGARDS.

(a) MAXIMUM ANNUAL LIMITATION ON RENT INCREASES RESULTING FROM EMPLOYMENT.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act is hereby repealed, retroactive to November 28, 1990, and shall be of no effect.

(b) ECONOMIC INDEPENDENCE.—Section 923 of the Housing and Community Development Act of 1992 is hereby repealed, retroactive to October 28, 1992, and shall be of no effect.

SEC. 208. EXTENSION OF MULTIFAMILY HOUSING FINANCE PROGRAMS.

(a) The first sentence of section 542(b)(5) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking "on not more than 15,000 units over fiscal years 1993 and 1994" and inserting "on not more than 7,500 units during fiscal year 1996".

(b) The first sentence of section 542(c)(4) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking "on not to exceed 30,000 units over fiscal years 1993, 1994, and 1995" and inserting "on not more than 10,000 units during fiscal year 1996".

SEC. 209. FORECLOSURE OF HUD-HELD MORTGAGES THROUGH THIRD PARTIES.

During fiscal year 1996, the Secretary of Housing and Urban Development may delegate to one or more entities the authority to carry out some or all of the functions and responsibilities of the Secretary in connection with the foreclosure of mortgages held by the Secretary under the National Housing Act.

SEC. 210. RESTRUCTURING OF THE HUD MULTIFAMILY MORTGAGE PORTFOLIO THROUGH STATE HOUSING FINANCE AGENCIES.

During fiscal year 1996, the Secretary of Housing and Urban Development may sell or otherwise transfer multifamily mortgages held by the Secretary under the National Housing Act to a State housing finance agency without regard to the unit limitations in section 542(b)(5) or 542(c)(4) of the Housing and Community Development Act of 1992.

SEC. 211. TRANSFER OF SECTION 8 AUTHORITY.

(a) Section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection at the end: VerDate 20-SEP-95 02:15 Oct 03, 1995 Jkt

“(bb) TRANSFER OF BUDGET AUTHORITY.—If a project-based assistance contract under this section is terminated or is not renewed, or if the contract expires, the Secretary shall, in order to provide continued assistance to eligible families, including eligible families receiving the benefit of the project-based assistance at the time of the termination, transfer any budget authority remaining in the contract to another contract. The transfer shall be under such terms as the Secretary may prescribe.”.

SEC. 212. DOCUMENTATION OF MULTIFAMILY REFINANCINGS.

Notwithstanding the 16th paragraph under the item relating to “ADMINISTRATIVE PROVISIONS” in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103-327; 108 Stat. 2316), the amendments to section 223(a)(7) of the National Housing Act made by the 15th paragraph of such Act shall be effective during fiscal years 1996 and thereafter.

SEC. 213. DEMONSTRATION AUTHORITY.

(a) On and after October 1, 1995, the Secretary of Housing and Urban Development shall carry out a demonstration program with respect to multifamily projects whose mortgages are insured under the National Housing Act and that are assisted under section 8 of the United States Housing Act of 1937 and whose present section 8 rents are, in the aggregate, in excess of 110 percent of the fair market rent of the locality in which the project is located, including projects whose section 8 contracts expire on or after October 1, 1996. These programs shall be designed to test the feasibility and desirability of the goal of ensuring, to the maximum extent practicable, that the debt service and operating expenses, including adequate reserves, attributable to such multifamily projects whose mortgages are insured under the National Housing Act and that are assisted under section 8 of the United States Housing Act of 1937 and whose present section 8 contract rents are in excess of the fair market rent of the locality in which the project is located can be supported with and without mortgage insurance under the National Housing Act and with and without above-market rents and utilizing project based assistance or, with the consent of the property owner and the residents, tenant based assistance, while taking into account the need for assistance of low and very low income families in such projects. In carrying out this demonstration, the Secretary may use arrangements with third parties, under which the Secretary may provide for the assumption by the third parties (by delegation, contract, or otherwise) of some or all of the functions, obligations, and benefits of the Secretary.

(1) GOALS.—The Secretary of Housing and Urban Development shall carry out the demonstration programs under this section in a manner that—

(A) will protect the financial interests of the Federal Government;

(B) will result in significant discretionary cost savings through debt restructuring and subsidy reduction; and

(C) will, in the least costly fashion, address the goals of—

(i) maintaining existing housing stock in a decent, safe, and sanitary condition;

(ii) minimizing the involuntary displacement of tenants;

(iii) restructuring the mortgages of such projects in a manner that is consistent with local housing market conditions;

(iv) supporting fair housing strategies;

(v) minimizing any adverse income tax impact on property owners; and

(vi) minimizing any adverse impact on residential neighborhoods.

In determining the manner in which a mortgage is to be restructured or the subsidy reduced, the Secretary may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

(2) DEMONSTRATION APPROACHES.—In carrying out the demonstration programs, the Secretary may use one or more of the following approaches:

(A) Joint venture arrangements with third parties, under which the Secretary may provide for the assumption by the third parties (by delegation, contract, or otherwise) of some or all of the functions, obligations, and benefits of the Secretary.

(B) Subsidization of the debt service of the project to a level that can be paid by an owner receiving an unsubsidized market rent.

(C) Renewal of existing project-based assistance contracts where the Secretary shall approve proposed initial rent levels that do not exceed the greater of 120 percent of fair market rents or comparable market rents for the relevant metropolitan market area or at rent levels under a budget-based approach.

(D) Nonrenewal of expiring existing project-based assistance contracts and providing tenant-based assistance to previously assisted households.

(b) For purposes of carrying out demonstration programs under subsection (a)—

(1) the Secretary may manage and dispose of multifamily properties owned by the Secretary as of October 1, 1995 and multifamily mortgages held by the Secretary as of October 1, 1995 for properties assisted under section 8 with rents above 110 percent of fair market rents without regard to any other provision of law; and

(2) the Secretary may delegate to one or more entities the authority to carry out some or all of the functions and responsibilities of the Secretary in connection with the foreclosure of mortgages held by the Secretary under the National Housing Act.

(c) For purposes of carrying out demonstration programs under subsection (a), subject to such third party consents (if any) as are necessary including but not limited to (i) consent by the Government National Mortgage Association where it owns a mortgage insured by the Secretary; (ii) consent by an issuer under the mortgage-backed securities program of the Association, subject to the responsibilities of the issuer to its security holders and the Association under such program; and (iii) parties to any contractual agreement which the Secretary proposes to modify or discontinue, the Secretary or one or more third parties designated by the Secretary may take the following actions:

(1) Notwithstanding any other provision of law, the Secretary or third party may remove, relinquish, extinguish, modify, or agree to the removal of any mortgage, regulatory agreement, project-based assistance contract, use agreement, or restriction that had been imposed or required by the Secretary, including restrictions on distributions of income which the Secretary or third party determines would interfere with the ability of the project to operate without above market rents. The Secretary or third party may require an owner of a property assisted under the section 8 new construction/substantial rehabilitation program to apply any accumulated residual receipts toward effecting the purposes of this section.

(2) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may enter into contracts to purchase reinsurance, or enter into participations or otherwise transfer economic interest in contracts of insurance or in the premiums paid, or due to be paid, on such insurance to third parties, on such terms and conditions as the Secretary may determine.

(3) The Secretary may offer project-based assistance with rents at or below fair market rents for the locality in which the project is located and may negotiate such other terms as are acceptable to the Secretary and the project owner.

(4) If, after reducing rents as provided in subsection (3) hereof, the project would be unable to pay full operating costs (including normal operating expenses, reasonable reserves, full debt

service, and reasonable allowances for vacancy losses and debt service coverage/owner return), the Secretary may offer to pay all or a portion of the project's debt service, and shall restrict the portion of debt service, if any, to be paid by the project to the amount consistent with payment of such full operating costs. The Secretary may offer to make such payments monthly from the appropriate Insurance Fund, for the full remaining term of the insured mortgage.

(5) Notwithstanding any other provision of law, the Secretary may forgive and cancel any FHA-insured mortgage debt that a demonstration program property cannot carry at market rents while bearing full operating costs.

(6) For demonstration program properties that cannot carry full operating costs (excluding debt service) at market rents, the Secretary shall approve project-based rents sufficient to carry such full operating costs and shall offer to pay the full debt service in the manner provided in section 216(c)(4) hereof.

(d) SELECTION.—The Secretary shall select multifamily projects whose mortgages are insured that are from different geographic areas of the nation, from States and localities of varying sizes, of different occupancy profiles by income, race, and age, of different financial and physical conditions, and other factors as determined by the Secretary.

(e) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures to obtain appropriate and timely input from officials of the unit of general local government affected, the community in which the project is situated, and the tenant of the project.

(f) LIMITATION ON DEMONSTRATION AUTHORITY.—The Secretary may carry out demonstration programs under this section with respect to mortgages not to exceed 30,000 units over fiscal years 1996 and 1997: Provided, That not less than fifty percent of the units participating in the demonstration shall be in projects that are assisted under section 8 new construction/substantial rehabilitation contracts which expire after September 30, 1997. The demonstration authorized under this section shall not be expanded until the reports required under subsection (g) are submitted to the Congress.

(g) REPORT TO CONGRESS.—The Secretary shall submit to the Congress every three months after the date of enactment of this Act a report describing and assessing the programs carried out under the demonstrations. The Secretary shall also submit a final report to the Congress not later than six months after the end of the demonstrations. The final report shall include findings and recommendations for any legislative action appropriate to establish a permanent program based on the findings under the demonstrations. The final report shall also include a description of the status of each multifamily housing project selected for the demonstrations under this section. The final report shall include—

(1) the size of the projects;

(2) the geographic locations of the projects, by State and region;

(3) the physical and financial condition of the projects;

(4) the occupancy profile of the projects, including the income, family size, race, and ethnic origin of current tenants, and the rents paid by such tenants;

(5) a description of actions undertaken pursuant to this section, including a description of the effectiveness of such actions and any impediments to the transfer or sale of multifamily housing projects;

(6) a description of the extent to which the demonstrations under this section have displaced tenants of multifamily housings projects;

(7) a description of any of the functions performed in connection with this section that are transferred or contracted out to public or private entities or to States;

(8) a description of the impact to which the demonstrations under this section have affected

the localities and communities where the selected multifamily housing projects are located; and

(9) a description of the extent to which the demonstrations under this section have affected the owners of multifamily housing projects.

(g) **EFFECTIVE DATE.**—The provisions of this section shall become effective on October 1, 1996.

SEC. 214. CONTRACT RENEWAL.—With respect to contracts for project based rental assistance under section 8 of the United States Housing Act of 1937 which contracts expire during fiscal year 1996, the Secretary shall take the following actions to renew such contracts:

(a) **CONTRACT TERM.**—All renewal contracts under this section shall have terms of one year.

(b) **TENANT-BASED ASSISTANCE OPTIONAL.**—Notwithstanding section 8(v) of the United States Housing Act of 1937, the Secretary may, with the consent of the owner, agree to provide tenant-based rental assistance under section 8(b) or 8(o) of the United States Housing Act of 1937 in lieu of providing project-based rental assistance under this section. The Secretary may offer incentives to project owners to accept tenant-based assistance.

(c) **DEMONSTRATION PROGRAM.**—If such expiring contracts are eligible for the demonstration program under section 213 hereof, such contracts shall be addressed under the terms of section 213.

(d) **LOAN MANAGEMENT SET-ASIDE.**—The Secretary shall offer to renew all Loan Management Set-Aside contracts expiring during fiscal year 1996 that are not subject to the demonstration program under section 213 hereof, on existing conditions and for the term provided in subsection (a) hereof.

(e) **EXPIRING CONTRACTS FOR FHA-INSURED PROJECTS.**—For multifamily projects whose mortgages are insured under the National Housing Act, that are assisted under (§8 NC/SR), and that are not subject to the demonstration program under section 213 hereof, the Secretary shall make two offers to renew such expiring contracts:

(1) Renewal of the current contract, with rents equal to the fair market rent of the locality in which the project is located.

(2) Under the Loan Management Set-Aside Program.

(f) **OTHER EXPIRING CONTRACTS.**—The Secretary shall offer to renew all remaining expiring project-based contracts, with rents equal to the fair market rent of the locality in which the project is located.

(g) **EFFECTIVE DATE.**—The provisions of this section shall become effective on October 1, 1996.

PRESERVATION REFORM

SEC. 217. Subtitle B of the Low-Income Housing Preservation and Resident Homeownership Act of 1990, is amended as follows:

(a) After section 201, insert the following new section:

“SEC. 202. APPLICABILITY.

“This subtitle shall be applicable to all eligible low-income housing which has not received funding for a plan of action before October 1, 1995. Eligible projects which have received funding before such effective date shall be governed by the Low Income Housing Preservation and Resident Homeownership Act of 1990 as was in effect before such effective date.”.

(b) Section 211 is amended to read as follows: **“SEC. 211. PERMISSIBLE PREPAYMENT OR INCENTIVES NOT TO PREPAY.**

“(a) **PREPAYMENT AND TERMINATION.**—An owner of eligible low income housing may prepay, and a mortgagee may accept prepayment, in accordance with the terms of the mortgage note, and regulations in effect when said note was signed.

“(b) **PLAN OF ACTION.**—An owner of eligible housing who does not exercise the right to prepay the mortgage may file a plan of action to receive incentives to extend low income use pursuant to section 219(b) or incentives for transfers

to qualified purchasers pursuant to section 220.”.

(c) Section 212(a) is amended by striking the words “as in accordance with section 218”.

(d) Striking out section 214.

(e) Section 215 is amended as follows:

(1) Subsection (a) is amended to read as follows:

“(a) **DETERMINATION OF RELATION TO FEDERAL COST LIMITS.**—For each eligible low-income housing project appraised under section 213(a), the Secretary shall make an initial determination as to whether the estimated allowable equity loan pursuant to section 219(b)(8) or the estimated allowable grant pursuant to section 220(d)(3)(A) exceeds the amount equal to 60 times the most recently published fair market rent for the area in which the project is located and the appropriate unit size for all of the units in the eligible housing. The initial determination shall be used solely for the purpose of providing information to owners pursuant to section 216. Actual incentives available to an owner (or a qualified purchaser) shall be determined pursuant to an approved plan of action; provided however, that the Secretary may not approve incentives in an amount exceeding the federal cost limits as defined in this section, unless the Secretary determines that preservation for the eligible low income housing project is appropriate.”.

(2) Subsection (b) is amended to read as follows:

“(b) **HOUSING EXCEEDING FEDERAL COST LIMITS.**—If the estimated allowable equity loan or grant for an eligible low income housing project exceeds the federal cost limit, the owner may:

“(1) file a plan of action under section 217 to receive incentives under section 219;

“(2) file a second notice of intent under section 216(d) indicating an intention to transfer the housing under section 220 and take actions pursuant to such section;

“(3) file a second notice under section 216(d) indicating an intention to transfer the housing under section 220 so long as a qualified purchaser provides non-preservation resources sufficient to accommodate the difference between the incentives approved under the applicable plan of action and the actual purchase price; or

“(4) file a second notice of intent under section 216(d) indicating an intention to prepay the mortgage or voluntarily terminate the insurance.”.

(f) Section 216 is amended as follows:

(1) Strike subsection (a).

(2) Subsection (b)(2) is amended to read as follows: “A statement of the required repairs and initial reserve deposits required by the Secretary, based on a capital needs assessment of the property.”.

(3) Subsection (b)(4) is amended by striking the phrase, “aggregate preservation rents” and inserting in lieu thereof, “estimated allowable equity loan or grant, as applicable.”.

(4) Subsection (d)(1) is amended by deleting the second and third sentences thereof.

(g) Section 217 is amended as follows:

(1) Subsection (a)(1) is amended by—

(A) striking out “terminate the low-income affordability restrictions through prepayment of the mortgage or voluntary termination under section 218, or to”;

(B) striking out “or 221”;

(C) striking the matter following “section 220(b)”.

(2) Subsection (b) is amended by—

(A) striking out paragraph (1); and

(B) in paragraph (2) striking out “If the plan of action proposes to extend the low income affordability restrictions of the housing in accordance with section 219 or transfer the housing to a qualified purchaser in accordance with section 220, the plan” and inserting in lieu thereof, “The plan of action shall include—”.

(f) Strike out section 218.

(g) Section 219 is amended as follows:

(1) Subsection (a) is amended by deleting from “for each year” to the end of the subsection and

inserting in lieu thereof “the incentives provided in subsection (b) hereof.”

(2) Subsection (b) is amended by—

(A) striking out subparagraphs 2 and 3, and renumbering the remaining subsections;

(B) amending paragraph 3 by deleting all that follows “improvements” and inserting in lieu thereof, “as provided in paragraph 8 hereof”;

(C) amending paragraph 5 to read as follows: “Access by the owner to a portion of preservation equity in the housing as provided in paragraph (6) hereof.”;

(D) by adding a new paragraph (8) as follows:

“(8) A non-interest-bearing direct loan by the Secretary equal in amount to the cost of rehabilitation approved in the plan of action plus 70 percent of the preservation equity.

“(i) Repayment of the loan provided under this paragraph shall commence when the first mortgage loan on the eligible low income housing is paid in full. The Secretary shall require the owner to make payments thereafter in an amount not greater than the amount that the owner had been paying on said first mortgage taking into account any interest reduction payments made pursuant to section 236 of the National Housing Act.

(ii) The Secretary shall permit an owner return equal to 8 percent of 30 percent of the preservation equity and shall permit the inclusion thereof in the budget for the eligible housing instead of the return permitted on the original equity of the eligible housing.”; and

(E) by adding a new subsection (b)(9) as follows:

“(9) retention of rental income in excess of the basic rental charge in projects assisted under section 236 of the National Housing Act, to be used for the purposes of preserving the low/moderate income character of the eligible low income housing.”.

(3) In final unnumbered paragraph, strike out the words “but the owner shall pay to the Secretary all rental charges in excess of the basic rental charges”.

(h) Section 220 is amended as follows:

(1) Subsection (a) is amended by deleting the final sentence thereof.

(2) Subsection (b)(1) is amended by deleting the first sentence thereof and inserting in lieu thereof the following:

“(1) For the 6 month period beginning on the date of receipt by the Secretary of a second notice of intent under section 216(d) with respect to such housing, the owner may offer to sell and/or negotiate a sale of the housing only with—

“(i) a resident council or mutual housing association intending to purchase the project under section 226, which has the support of tenants representing at least 75 percent of the occupied units in the project and at least 50 percent of all of the units in the project.

“(ii) a resident council intending to purchase the project and retain it as rental housing, which has the support of the majority of the tenant households; or

“(iii) a community based nonprofit housing organization, which has the support of the majority of the tenant households.

“(2) If no bona fide offer to purchase the project is made and accepted during or at the end of the 6-month period specified in subparagraph (b)(1) of this section, the owner may offer to sell the project during the succeeding 6 months to any priority purchaser.”.

(2) Subsections (d)(2) and (d)(3) are amended to read as follows:

“(d)(2) **AMOUNT.**—Subject to the availability of amounts approved in appropriations Acts, the Secretary shall, for approvable plans of action, provide assistance sufficient to enable qualified purchasers to—

“(A) acquire the eligible low-income housing from the current owner for a purchase price not greater than the preservation value of the housing. Such purchase price does not include the residual receipts account which shall be released

to the owner, but shall include the replacement reserve account which shall be transferred to the purchaser;

“(B) rehabilitate the housing;

“(C) meet project operating expenses and establish adequate reserves for the housing, and in the case of a Priority Purchaser, meet project oversight costs;

“(D) receive a distribution equal to 8 percent annual return on any actual cash investment (from sources other than assistance provided under this title) made to acquire or rehabilitate the project;

“(E) in the case of a priority purchaser, receive a reimbursement of all reasonable transaction expenses associated with the acquisition, loan closing, and implementation of an approved plan of action; and

“(F) in the case of an approved resident homeownership program, cover the costs of training for the resident council, homeownership counseling and training, the fees for the nonprofit entity or public agency working with the resident council and costs related to relocation of tenants who elect to move.

“(d)(3) INCENTIVES.—

“(A) IN GENERAL.—For all qualified purchasers of housing under this subsection, the Secretary may provide assistance for an approved Plan of Action in the form of 1 or more of the incentives authorized under section 219(b), except in lieu of the incentives under section 219(b)(7) and 219(b)(8), the Secretary shall provide a grant equal in amount to 100 percent of the transfer preservation equity determined for the property plus the amount of rehabilitation costs required by the plan of action: Provided, That the grant may include, if the qualified purchaser is a priority purchaser, any expenses associated with the acquisition, loan closing and implementation of the plan of action, subject to approval by the Secretary. Expenses associated with implementation of the plan of action may include capital reserves, operating reserves, and escrows established to mitigate the burden of initial rent increases on tenants. At the purchaser's election, the grant shall be provided in the form of a loan in the same amount. If the purchaser makes such election, the interest rate on the loan shall be no less than the applicable Federal rate and repayment shall be deferred until sale of the housing or refinancing or repayment of the federally-assisted mortgage, whichever is earlier, or such later date as may be required to maintain low-income affordability restrictions for the remaining useful life of the housing.”

(i) Strike out section 221.

(j) Section 222 is amended as follows:

(1) Strike out subparagraphs (a)(2) (D), (E) and (F) and renumbering the remaining subsections.

(2) Amend subparagraph (a)(2)(G) to read as follows:

“(G) future rent adjustments shall be governed by the provisions of the regulatory agreement concerning rent adjustments now in effect for the eligible low-income housing except that priority purchasers shall receive project oversight costs. The Secretary shall process requests for rent adjustments during the pendency of the processing under this title.”

(3) Subsection (d)(2)(A)(i) is amended to read as follows:

“(i) declining to authorize the release of any escrowed loan proceeds and requiring that such amounts be used for repairs.”

(4) Subsection (d)(2)(C)(ii) is amended by striking out “an equity take-out loan has been made under section 241(f) of the National Housing Act” and inserting in lieu thereof, “a loan has been insured under the National Housing Act or made pursuant to section 219(b)(8) or 220(d)(3)”.

(5) Strike out subsection (d)(2)(C)(iii).

(6) Insert a new subsection (e) as follows:

“(e) MIXED INCOME COMMUNITIES.—To the extent that federal assistance is provided for eco-

nomically feasible, units available to new tenants will be available and affordable to the same proportions of very-low income families or persons, low income families or persons, and moderate income families or persons (including families or persons whose incomes are 95 percent or more of area median income) as of the date of approval of the plan of action.”

(k) Section 223 is amended as follows:

(1) Subsection (a) is amended by striking out in the first sentence “low-income” and inserting in lieu thereof “very low-income”.

(2) Strike out the last sentence of subsection (b), and inserting in lieu thereof “The Secretary shall pay the relocation expenses of each such low-income family—

“(i) that does not receive section 8 assistance pursuant to subsection (a);

“(ii) that is displaced within 180 days after such prepayment; and

“(iii) whose rent and utility cost immediately prior to displacement exceeded 30 percent of adjusted income. Provided, however, that such relocation payment shall not exceed \$1,500 per family.”

(3) Strike out subsections (c), (d) and (e).

(l) Strike out section 224.

(m) Section 225(c) is amended by—

(1) striking out in the first sentence all that follows “shall” and inserting in lieu thereof “provide the incentives, and, in addition, shall pay the owner of the eligible housing a return equal to 8 percent of the preservation equity from the date that the Secretary should have complied with such time limitation”; and

(2) striking out, in the last sentence thereof, “district”.

(n) Section 226(b)(2) is amended by inserting “mutual housing association” between “limited equity cooperative ownership)” and “and fee simple ownership.”

(o) Section 229 is amended as follows:

(1) Subsection (1)(B) is amended to read as follows:

“(B) that, under regulation or contract in effect before February 5, 1988, would have become eligible for prepayment without prior approval of the Secretary:

“(i) on or before December 31, 1996, and the owner of such housing filed a notice of intent on or before February 28, 1995 under title VI of the Low Income Housing Preservation and Resident Homeownership Act of 1990 or under title II of the Emergency Low Income Housing Preservation Act of 1987; or

“(ii) after December 31, 1996, and the owner of such housing files a notice of intent under this title on or before March 1, 1996.”

(2) Subsection (8) is amended by deleting in subparagraph (A) the words “determining the authorized return under section 219(b)(6)(ii)” and subparagraph (B) by deleting “and 221” and deleting the words “acquisition loans under the provisions of section 241(f)(3) of the National Housing Act and inserting in lieu thereof, “acquisition grant under the provisions of section 220(d)(2)”.

(3) Subsection (11) is amended by inserting after “association”: “(including such an organization or its affiliate that is a general partner in a limited partnership)”.

(4) Insert a new definition (12) as follows:

“(12) The term ‘Community Based Non-Profit Organization’ is defined as set forth in 24 C.F.R. 248.101, except that a private nonprofit organization shall be deemed to include an organization or its affiliate that is a general partner in a limited partnership.”

(5) Insert a new definition (13) as follows:

“(13) Mutual Housing Association. A private entity organized under State law that has been determined to be a tax-exempt entity under section 501(c) of the Internal Revenue Code of 1986 (including such an entity or its affiliate that is a general partner in a limited partnership), and that owns, manages, and continuously develops affordable housing by providing long-term housing for low and moderate income individuals

and families. The residents of mutual housing participate in the ongoing management of the housing, and through the purchase of membership interests in the associations have the right to continue residing in the housing as long as they own memberships in the associations.”

(6) Subsection (1) is amended by inserting new subparagraph (C) after subparagraph (B):

“(C) that has been determined to have preservation equity equivalent to the lesser of \$5,000/unit or \$500,000 per project or the equivalent of 8 times the most recently published fair market rent for the area in which the project is located and the appropriate unit size for all of the units in the eligible project.”

(p) Subsection 231(a) is amended by inserting before the period the following: “; and (C) any resident council, community-based non-profit organization, mutual housing association, or their affiliate that acts as a general partner in a limited partnership and agrees to maintain low-income affordability restrictions for the remaining useful life of the housing as determined under section 222(c).”

(q) Subsection 232(a)(2) is amended to read as follows:

“(2) restricts or inhibits an owner of such housing from receiving any benefit provided under this Act.”

(r) Inserting after section 235, the following new section:

“SEC. 236. IMPLEMENTING PROVISIONS FOR CAPITAL LOANS AND GRANTS.

“(a) SELF-IMPLEMENTATION.—The Secretary shall implement the incentives of capital loans or grants pursuant to section 219(b)(8) or 220(d)(2) upon the enactment of an appropriations Act for fiscal year 1996 providing funds for this purpose without issuing regulations and the processing of an eligible project and any approvals rendered by the Secretary under title VI of the Low Income Housing Preservation and Resident Homeownership Act of 1990 or title II of the Emergency Low Income Housing Preservation Act of 1987 shall be effective under this title and the Secretary shall not repeat any such processing.

“(b) PAYMENT OF EQUITY LOAN.—The Secretary shall fund the loan pursuant to section 219(b)(6) within 180 days after the approval of the plan of action, but shall pay an 8 percent return on preservation equity from 60 days after approval of the plan of action. The Secretary may provide funding for the capital loan provided under section 219(b)(8) equally over a five-year period, except that the rehabilitation portion of the loan shall be funded in the first installment. The Secretary shall pay the owner of the eligible housing interest on the unpaid portion of the loan at the applicable federal rate at the time that the plan of action is approved. If the Secretary fails to make the second or subsequent installment payments on said loan within 60 days of its due date, the owner may prepay the mortgage pursuant to section 211 and retain the amount of any installment previously paid.

“(c) PAYMENT OF GRANT OR LOAN.—The Secretary shall provide full funding for the capital grant or loan as provided under section 220(d)(3) within 180 days of approval of the plan of action. If the Secretary fails to make such payment, the owner may prepay the existing mortgage pursuant to section 224.

“(d) ELIHPA ELIGIBILITY.—An owner of eligible housing who is processing an application under title II of the Emergency Low Income Housing Preservation Act of 1987 on the effective date of this title may apply for the incentives provided in this title or exercise its right of prepayment pursuant to section 211.”

(s) EFFECTIVE DATE.—The provisions of this section shall become effective on October 1, 1996.

SEC. 216. EXTENSION OF HOME EQUITY CONVERSION MORTGAGE PROGRAM.—Section 255(g) of the National Housing Act (12 U.S.C. 1715z-20(g)) is amended—

(1) in the first sentence, by striking “September 30, 1995” and inserting “September 30, 1996”; and

(2) in the second sentence, by striking “25,000” and inserting “30,000”.

SEC. 217. ASSESSMENT COLLECTION DATES FOR OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT.—Section 1316(b) of the Housing and Community Development Act of 1992 (12 U.S.C. 4516(b)) is amended by striking paragraph (2) and inserting the following new paragraph:

“(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually for each fiscal year, on October 1st and April 1st.”.

SEC. 218. SPENDING LIMITATIONS.—None of the funds provided in this Act may be used during fiscal year 1996 to sign, promulgate, implement, or enforce any requirement or regulation relating to the application of the Fair Housing Act (42 U.S.C. 3601, et seq.) to the business of property insurance.

SEC. 219. During fiscal year 1996, notwithstanding any other provision of law, the number of individuals employed by the Department of Housing and Urban Development in other than “career appointee” positions in the Senior Executive Service shall not exceed 20.

SEC. 220. Of the \$93,400,000 earmarked in Public Law 101-144 (103 Stat 850), as amended by Public Law 101-302 (104 Stat 237), for special projects and purposes, any amounts remaining of the \$500,000 made available to Bethlehem House in Highland, California, for site planning and land acquisition shall instead be made available to the County of San Bernardino in California to assist with the expansion of the Los Padrinos Gang Intervention Program and the Unity Home Domestic Violence Shelter.

SEC. 221. PERMISSIBLE ADJUSTMENT TO MODERNIZATION FORMULA.—Section 14(k) of the United States Housing Act of 1937 is amended—

(1) in paragraph (2)(B)—

(A) by striking “The Secretary” and inserting “Except as otherwise provided in this subparagraph, the Secretary”; and

(B) by inserting after the first sentence the following: “The Secretary may adjust the amount allocated under this subparagraph as necessary to provide additional weight for backlog needs.”;

(2) in paragraph (2)(C), by striking “other half” and inserting “remainder”; and

(3) in paragraph (8)—

(A) by striking “half” the first time it appears and inserting “half, or such other amount as the Secretary determines to be necessary pursuant to paragraph (2)(B).”; and

(B) by striking “half” the second time it appears, and inserting “the remainder”.

SEC. 222. (a) Section 1011 of Title X—Residential Lead-Based Paint Hazard Reduction Act of 1992 is amended as follows: Strike “priority housing” wherever it appears in said section and insert “housing”.

(b) Section 1011(a) shall be amended as follows: At the end of the subsection after the period, insert “Grants shall only be made under this section to provide assistance for housing which meets the following criteria—

“(1) for grants made to assist rental housing, at least 50 percent of the units must be occupied by or made available to families with incomes at or below 50 percent of the area median income level and the remaining units shall be occupied or made available to families with incomes at or below 80 percent of the area median income level, and in all cases the landlord shall give priority in renting units assisted under this section, for not less than 3 years following the completion of lead abatement activities, to families with a child under the age of six years—

“(A) except that buildings with five or more units may have 20 percent of the units occupied by families with incomes above 80 percent of area median income level;

“(2) for grants made to assist housing owned by owner-occupants, all units assisted with grants under this section shall be the principal residence of families with incomes at or below 80 percent of the area median income level, and not less than 90 percent of the units assisted with

grants under this section shall be occupied by a child under age of six years or shall be units where a child under the age of six years spends a significant amount of time visiting; and

“(3) notwithstanding paragraphs (1) and (2), Round II grantees who receive assistance under this section may use such assistance for priority housing.”.

SEC. 223. EXTENSION PERIOD FOR SHARING UTILITY COST SAVINGS WITH PHAS.—Section 9(a)(3)(B)(i) is amended by striking “for a period not to exceed 6 years”.

SEC. 224. The first sentence of section 221(g)(4)(C)(viii) of the National Housing Act is amended by striking “September 30, 1995” and inserting in lieu thereof “September 30, 1996”.

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; \$20,265,000, 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.

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 rate for GS-18, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed \$500 for official reception and representation expenses, \$40,000,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

Of the funds appropriated under this heading in Public Law 103-327, 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); (2) the Corporation; and (3) 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 7251-7292,

\$9,000,000, of which not to exceed \$678,000, to remain available until September 30, 1997, 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 head 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, and not to exceed \$1,000 for official reception and representation expenses; [\$11,296,000] \$11,946,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

[RESEARCH AND DEVELOPMENT

[For research and development activities, including procurement of laboratory equipment and supplies; other operating expenses in support of research and development; and construction, alteration, repair, rehabilitation and renovation of facilities, not to exceed \$75,000 per project; \$384,052,000, to remain available until September 30, 1997.]

SCIENCE AND TECHNOLOGY

For science and technology, including research and development activities; 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 rate for GS-18; 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; \$500,000,000, which shall remain available until September 30, 1997.

[ENVIRONMENTAL PROGRAMS AND COMPLIANCE

[For environmental programs and compliance activities, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchases 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; and for necessary expenses, not otherwise provided for, for personnel and related costs and for travel expenses, including uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; and for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; \$1,881,614,000, to remain available until expended: *Provided*, That none of the funds appropriated under this heading shall be available to the National Oceanic and Atmospheric Administration pursuant to section 118(h)(3) of the Federal Water Pollution Control Act, as amended: *Provided further*, That from funds appropriated under this heading, the Administrator may make grants to federally recognized Indian governments for the development of multimedia environmental programs: *Provided further*, That for this fiscal year and thereafter, any industrial discharger to the Kalamazoo Water Reclamation Plant is exempt from categorical pretreatment standards under section 307(b) of the Federal Water Pollution Control Act, as amended, if the following conditions are met: (1) the Kalamazoo Water Reclamation Plant applies to the State of Michigan for an

exemption for its industry and (2) the State or the Administrator, as applicable, approves such exemption request based upon a determination that there exists an operative financial contract between the City of Kalamazoo and the industrial user and an approved local pretreatment program, including a joint monitoring program and local controls to prevent against interference and pass through: *Provided further*, That none of the funds appropriated under this heading shall be obligated or expended to implement or enforce section 118(c)(2)(C) of the Federal Water Pollution Control Act, as amended: *Provided further*, That none of the funds appropriated under this heading may be made available for the implementation or enforcement of the stormwater permitting program under section 402(p) of the Federal Water Pollution Control Act, as amended: *Provided further*, That none of the funds appropriated under this heading shall be made available for the enforcement of permit limits or compliance schedules for combined sewer overflows or sanitary sewer overflows under section 402 of the Federal Water Pollution Control Act, as amended: *Provided further*, That none of the funds appropriated under this heading may be used to implement or enforce section 404 of the Federal Water Pollution Control Act, as amended: *Provided further*, That none of the funds appropriated under this heading may be made available for the development and implementation of new or revised effluent limitation guidelines and standards, pretreatment standards, or new source performance standards under the Federal Water Pollution Control Act, as amended: *Provided further*, That the limitations on the use of funds set forth in the previous five provisos shall have no force and effect upon enactment of legislation which further amends the named sections of the Federal Water Pollution Control Act, as amended, in each of the previous four provisos: *Provided further*, That none of the funds appropriated under this heading may be used by the Environmental Protection Agency to impose or enforce any requirement that a State implement trip reduction measures to reduce vehicular emissions. Section 304 of the Clean Air Act, as amended, shall not apply with respect to any such requirement: *Provided further*, That none of the funds appropriated under this heading may be used to assign less than full credit for automobile emissions inspections programs required under section 182 (c), (d), or (e) of the Clean Air Act, as amended, on the basis of network design equipment unless the Administrator determines, based on data collected from at least two full cycles of the program, that less than full credit is appropriate: *Provided further*, That beginning in fiscal year 1996 and each fiscal year thereafter, and notwithstanding any other provision of law, the Administrator is authorized to make grants annually from funds appropriated under this heading, subject to such terms and conditions as the Administrator shall establish, to any State or federally recognized Indian tribe for multimedia or single media pollution prevention, control and abatement and related environmental activities at the request of the Governor or other appropriate State official or the tribe: *Provided further*, That none of the funds appropriated under this heading may be used to develop, propose, promulgate, issue, enforce, or to set or enforce compliance deadlines or issuance schedules for maximum achievable control technology standards pursuant to section 112(d) of the Clean Air Act, as amended, for the category proposed to be regulated at Vol. 59, Federal Register, No. 135, page 36130, dated July 15, 1994, and for purposes of this provision, section 304 of the Clean Air Act shall not apply: *Provided further*, That none

of the funds appropriated under this heading shall be obligated or expended to take any action to extend the risk management plan requirements under section 112(r) of the Clean Air Act, as amended, to the domestic oil and gas exploration and production and natural gas processing industry: *Provided further*, That none of the funds appropriated under this heading may be used by the Administrator or the Administrator's designee for signing and publishing a national primary drinking water regulation for radon and other radionuclides: *Provided further*, That none of the funds appropriated under this heading may be used by the Administrator or the Administrator's designee for signing and publishing any proposed national primary drinking water regulation for arsenic: *Provided further*, That none of the funds appropriated under this heading may be used to issue or enforce any requirement not otherwise authorized under existing law or regulation with respect to combustion of hazardous waste prior to promulgation of final regulations pursuant to a rulemaking proceeding under the Administrative Procedure Act or to impose or enforce any requirement or condition of a permit, including the use of an indirect risk assessment, or to deny a permit pursuant to section 3005(c)(3) of the Resource Conservation and Recovery Act, as amended, unless the Environmental Protection Agency follows the procedures governing the use of authority under such section which it has set forth at 56 Fed. Reg. 7145, note 8, February 21, 1991: *Provided further*, That none of the funds appropriated under this heading may be used to issue or enforce any regulatory standard for maximum achievable control technology (MACT) for hazardous waste combustion under any statute other than the Clean Air Act, as amended, issue any such standard without first determining that in calculating the MACT floor emission levels for existing sources under section 112(d)(3) of the Clean Air Act, as amended, one-half of the currently operating facilities in the group of sources that make up the floor pool for that category or subcategory actually achieve the MACT floor levels for all of the hazardous air pollutants to be regulated: *Provided further*, That none of the funds appropriated under this heading may be used to promulgate, implement, or enforce sections 502(d)(2), 502(d)(3), or 502(i)(4) of the Clean Air Act, as amended, against a State which is involved in litigation regarding provisions of title V of the Clean Air Act, as amended: *Provided further*, That none of the funds appropriated under this heading may be obligated or expended to require facilities to submit any data pursuant to section 313(a) of the Emergency Planning and Community Right-to-Know Act or section 8 of the Toxic Substances Control Act, as amended, that is not specifically enumerated in said sections, including mass balance, materials accounting, or other chemical use data: *Provided further*, That none of the funds appropriated under this heading may be used to revoke, or require the issuance of, a food additive regulation under section 409 of the Federal Food, Drug and Cosmetic Act for a pesticide in processed food where there is a tolerance established under section 408 of said Act for the pesticide on the raw commodity from which the processed food was made, and may not be used to revoke, or deny the issuance of, a section 408 tolerance for a pesticide on a raw agricultural commodity solely on the basis that a food additive regulation cannot be issued or maintained under section 409 of said Act for the pesticide in a processed form of the commodity: *Provided further*, That none of the funds appropriated under this heading may be used to exclusively regulate whole agricultural plants subject to regulation by another federal agency: *Provided fur-*

ther, That none of the funds appropriated under this heading may be used to obtain a voluntary environmental audit report or to assess an administrative, civil or criminal negligence penalty, in any matter subject to a state law providing a privilege for voluntary environmental audit reports or protections or immunities for the voluntary disclosure of environmental concerns.】

PROGRAM ADMINISTRATION AND MANAGEMENT

For program administration and management activities, including 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 rate for GS-18; 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; \$1,670,000,000, which shall remain available until September 30, 1997.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

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, 【\$28,542,000】 \$27,700,000.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or use by, the Environmental Protection Agency, 【\$28,820,000】 \$60,000,000, to remain available until expended.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFER 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 \$1,003,400,000 to remain available until expended, 【to be derived from general revenues】 consisting of \$753,400,000 as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101-508, and \$250,000,000 as a payment from general revenues to the Hazardous Substance Superfund 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 【\$5,000,000】 \$11,700,000 of the funds appropriated under this heading shall be transferred to the Office of Inspector General appropriation to remain available until September 30, 1996: *Provided further*, That notwithstanding section 111(m) of CERCLA or any other provision of law, not to exceed 【\$62,000,000】 \$55,000,000 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 the Superfund Amendments and Reauthorization Act of 1986: *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 VerDate 20-SEP-

section 104(i) of CERCLA during fiscal year 1996: *Provided further*, That no part of any appropriation made under this heading shall remain available for obligation beyond December 31, 1995, unless the Comprehensive Environmental Response Compensation, and Liability Act of 1980 has been reauthorized: *Provided further*, That none of the funds made available under this heading may be used by the Environmental Protection Agency to propose for listing or to list any additional facilities on the National Priorities List established by section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended (42 U.S.C. 9605), unless the Administrator receives a written request to propose for listing or to list a facility from the Governor of the State in which the facility is located, or appropriate tribal leader, or unless legislation to reauthorize CERCLA is enacted.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

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, \$45,827,000, to remain available until expended: *Provided*, That no more than \$5,285,000 shall be available for administrative expenses: *Provided further*, That \$426,000 shall be transferred to the Office of Inspector General appropriation to remain available until September 30, 1996.

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, \$20,000,000 shall be derived from the Oil Spill Liability trust fund, and to remain available until expended: *Provided*, That not more than \$8,420,000 of these funds shall be available for administrative expenses.

[WATER INFRASTRUCTURE/STATE REVOLVING FUNDS

[For necessary expenses for capitalization grants for State Revolving Funds to support wastewater infrastructure financing, and to carry out the purposes of the Federal Water Pollution Control Act, as amended, the Water Quality Act of 1987, and section 1443(a) of the Public Health Service Act, \$1,500,175,000, to remain available until expended, of which \$1,000,000,000 shall be for capitalization grants for Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended; \$100,000,000 for architectural, engineering, design, construction, and related activities in connection with the construction of high priority wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commissions; \$50,000,000 for grants to the State of Texas, which shall be matched by an equal amount of State funds from State sources, for the purpose of improving wastewater treatment for colonias; \$15,000,000 for grants to the State of Alaska, subject to an appropriate cost share as determined by the Administrator, to address wastewater infrastructure needs of rural and Alaska Native Villages; \$22,500,000 for making grants under section 104(b)(3) of the Federal Water Pollution Control Act, as amended; \$100,000,000 for making grants under section 319 of the Federal Water Pollution Control Act, as amended; \$75,000,000 for making grants under section 1443(a) of the Public Health Service Act; and, notwithstanding any other provision of

law, \$137,675,000 for making grants for the construction of wastewater treatment facilities and the development of groundwater in accordance with the terms and conditions set forth in the House Report accompanying this Act: *Provided*, That of the funds made available under this heading in Public Law 103-327 and in Public Law 103-124 for capitalization grants for State Revolving Funds to support water infrastructure financing, \$225,000,000 shall be made available for capitalization grants for State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended: *Provided further*, That of the funds made available under this heading for capitalization grants for State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, \$50,000,000 shall be for wastewater treatment in impoverished communities pursuant to section 102(d) of H.R. 961 as approved by the United States House of Representatives on May 16, 1995: *Provided further*, That except for grants made under section 1443(a) of the Public Health Service Act, appropriations for programs and projects pursuant to the Federal Water Pollution Control Act made available under this heading shall be available only upon enactment of legislation reauthorizing such Act, and appropriations for programs and projects pursuant to other Acts made available under this heading shall be available only upon enactment of legislation specifically authorizing such appropriations.]

PROGRAM AND INFRASTRUCTURE ASSISTANCE

For environmental programs and infrastructure assistance, including capitalization grants for state revolving funds and performance partnership grants, \$2,340,000,000, to remain available until expended, of which \$1,500,000,000 shall be for making capitalization grants for State revolving funds to support water infrastructure financing; \$100,000,000 for architectural, engineering, 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; \$50,000,000 for grants to the State of Texas, which shall be matched by an equal amount of State funds from State resources, for the purpose of improving wastewater treatment for colonias; and \$15,000,000 for grants to the State of Alaska, subject to an appropriate cost share as determined by the Administrator, to address wastewater infrastructure needs of Alaska Native villages: *Provided*, That beginning in fiscal year 1996 and each fiscal year thereafter, and notwithstanding any other provision of law, the Administrator is authorized to make grants annually from funds appropriated under this heading, subject to such terms and conditions as the Administrator shall establish, to any State or federally recognized Indian tribe for multimedia or single media pollution prevention, control and abatement and related environmental activities at the request of the Governor or other appropriate State official or the tribe: *Provided further*, That from funds appropriated under this heading, the Administrator may make grants to federally recognized Indian governments for the development of multimedia environmental programs: *Provided further*, That of the \$1,500,000,000 for capitalization grants for State revolving funds to support water infrastructure financing, \$500,000,000 shall be for drinking water State revolving funds, but if no drinking water State revolving fund legislation is enacted by December 31, 1995, these funds shall immediately be available for making capitalization grants under title VI of the Federal Water Pollution Control Act, as amended: *Provided further*, That of the funds made available under this heading in Public Law 103-327 and in Public Law 103-124 for capitalization grants

for State revolving funds to support water infrastructure financing, \$225,000,000 shall be made available for capitalization grants for State revolving funds under title VI of the Federal Water Pollution Control Act, as amended, if no drinking water State revolving fund legislation is enacted by December 31, 1995.

ADMINISTRATIVE PROVISIONS

SEC. 301. MORATORIUM ON CERTAIN EMISSIONS TESTING REQUIREMENTS.

(a) MORATORIUM.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency (referred to in this subsection as the "Administrator") shall not require adoption or implementation by a State of a test-only or I/M240 enhanced vehicle inspection and maintenance program as a means of compliance with section 182 of the Clean Air Act (42 U.S.C. 7511a), but the Administrator may approve such a program if a State chooses to adopt the program as a means of compliance.

(2) REPEAL.—Paragraph (1) is repealed effective as of the date that is 1 year after the date of enactment of this Act.

(b) PLAN APPROVAL.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency (referred to in this subsection as the "Administrator") shall not disapprove a State implementation plan revision under section 182 of the Clean Air Act (42 U.S.C. 7511a) on the basis of a regulation providing for a 50-percent discount for alternative test-and-repair inspection and maintenance programs.

(2) CREDIT.—If a State provides data for a proposed inspection and maintenance system for which credits are appropriate under section 182 of the Clean Air Act (42 U.S.C. 7511a), the Administrator shall allow the full amount of credit for the system that is appropriate without regard to any regulation that implements that section by requiring centralized emissions testing.

(3) DEADLINE.—The Administrator shall complete and present a technical assessment of data for a proposed inspection and maintenance system submitted by a State not later than 45 days after the date of submission.

SEC. 302. None of the funds made available in this Act may be used by the Environmental Protection Agency to impose or enforce any requirement that a State implement trip reduction measures to reduce vehicular emissions. Section 304 of the Clean Air Act (42 U.S.C. 7604) shall not apply with respect to any such requirement during the period beginning on the date of the enactment of this Act and ending September 30, 1996.

SEC. 303. None of the funds provided in this Act may be used within the Environmental Protection Agency for any final action by the Administrator or her delegate for signing and publishing for promulgation a rule concerning any new standard for arsenic, sulfates, radon, ground water disinfection, or the contaminants in phase IV B in drinking water, unless the Safe Drinking Water Act of 1986 has been reauthorized.

SEC. 304. None of the funds provided in this Act may be used during fiscal year 1996 to sign, promulgate, implement or enforce the requirement proposed as "Regulation of Fuels and Fuel Additives: Individual Foreign Refinery Baseline Requirements for Reformulated Gasoline" at volume 59 of the Federal Register at pages 22800 through 22814.

SEC. 305. None of the funds appropriated to the Environmental Protection Agency for fiscal year 1996 may be used to implement section 404(c) of the Federal Water Pollution Control Act, as amended. No pending action by the Environmental Protection Agency to implement section 404(c) with respect to an individual permit shall remain in effect after the date of enactment of this Act.

SEC. 306. Notwithstanding any other provision of law, for this fiscal year and hereafter, an industrial discharger to the Kalamazoo WaterVerDate 20-SEP

Reclamation Plant, an advanced wastewater treatment plant with activated carbon, may be exempted from categorical pretreatment standards under section 307(b) of the Federal Water Pollution Control Act, as amended, if the following conditions are met: (1) the Kalamazoo Water Reclamation Plant applies to the State of Michigan for an exemption for such industrial discharger and (2) the State or the Administrator, as applicable, approves such exemption request based upon a determination that the Kalamazoo Water Reclamation Plant will provide treatment consistent with or better than treatment requirements set forth by the EPA, and there exists an operative financial contract between the City of Kalamazoo and the industrial user and an approved local pretreatment program, including a joint monitoring program and local controls to prevent against interference and pass through.

SEC. 307. No funds appropriated by this Act may be used during fiscal year 1996 to enforce the requirements of section 211(m)(2) of the Clean Air Act that require fuel refiners, marketers, or persons who sell or dispense fuel to ultimate consumers in any carbon monoxide non-attainment area in Alaska to use methyl tertiary butyl ether (MTBE) to meet the oxygen requirements of that section.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, not to exceed \$2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, \$4,981,000; *Provided*, That the Office of Science and Technology Policy shall reimburse other agencies for not less than one-half of the personnel compensation costs of individuals detailed to it.

COUNCIL ON ENVIRONMENTAL QUALITY AND
OFFICE OF ENVIRONMENTAL QUALITY

[To carry out the orderly termination of the programs and activities authorized by] For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Improvement Act of 1970 and Reorganization Plan No. 1 of 1977, \$1,000,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

[For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$235,500,000, to remain available until expended.]

DISASTER ASSISTANCE DIRECT LOAN PROGRAM
ACCOUNT

For the cost of direct loans, \$2,155,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): *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 \$25,000,000.

In addition, for administrative expenses to carry out the direct loan program, \$95,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, 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 rate for GS-18; expenses of attendance of co-operating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed \$2,500 for official reception and representation expenses; **[\$162,000,000]** \$166,000,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$4,400,000.

EMERGENCY MANAGEMENT PLANNING AND
ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), [the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.)], the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404-405), and Reorganization Plan No. 3 of 1978, \$203,044,000.

EMERGENCY FOOD AND SHELTER PROGRAM

There is hereby appropriated \$100,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program pursuant to title III of Public Law 100-77, as amended; *Provided*, That total administrative costs shall not exceed three and one-half per centum of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, and the National Flood Insurance Reform Act of 1994, not to exceed \$20,562,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed \$70,464,000 for flood mitigation, including up to \$12,000,000 for expenses under section 1366 of the National Flood Insurance Act of 1968, as amended, which amount shall be available until September 30, 1997. In fiscal year 1996, no funds in excess of (1) \$47,000,000 for operating expenses, (2) \$292,526,000 for agents' commissions and taxes, and (3) \$3,500,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations: *Provided*, That none of the funds appropriated in this Act for the Federal Emergency Management Agency (FEMA) shall be available for any further work on effective Flood Insurance Rate Maps for the City of Stockton and San Joaquin County, California based on FEMA's restudy of flood hazards on South Paddy Creek, Middle Paddy Creek, Paddy Creek, Bear Creek, Mosher Slough, Calaveras River, Potter A Slough, Potter B Slough, Mormon Slough, and the Diversion Channel.]

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a methodology for assessment and collection of fees to be assessed and collected beginning in fiscal year 1996 applicable to persons subject to the Federal Emergency Management Agency's radiologi-

cal emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1996 shall approximate, but not be less than, 100 per centum of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The methodology for assessment and collection of fees shall be fair and equitable, and shall reflect the full amount of costs of providing radiological emergency planning, preparedness, response and associated services. Such fees will be assessed in a manner that reflects the use of agency resources for classes of regulated persons and the administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts. Assessment and collection of such fees are only authorized during fiscal year 1996.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, \$2,061,000, to be deposited into the Consumer Information Center Fund: *Provided*, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of \$7,500,000. Administrative expenses of the Consumer Information Center in fiscal year 1996 shall not exceed **[\$2,502,000]** \$2,602,000. Appropriations, revenues, and collections accruing to this fund during fiscal year 1996 in excess of \$7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts.

[DEPARTMENT OF HEALTH AND HUMAN
SERVICES

[OFFICE OF CONSUMER AFFAIRS

[For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, \$1,811,000: *Provided*, That notwithstanding any other provision of law, that Office may accept and deposit to this account, during fiscal year 1996, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational materials; may expend up to \$1,110,000 of those gifts for those purposes, in addition to amounts otherwise appropriated; and the balance shall remain available for expenditure for such purposes to the extent authorized in subsequent appropriations Acts: *Provided further*, That none of the funds provided under this heading may be made available for any other activities within the Department of Health and Human Services.]

NATIONAL AERONAUTICS AND SPACE
ADMINISTRATION

HUMAN SPACE FLIGHT

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development activities, including research; development; operations; services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance, and operation of mission and administrative aircraft; **[\$5,449,600,000]** \$5,337,600,000, to remain available until September 30, 1997: *Provided*, That of the funds made available under this heading, \$390,000,000 of funds provided for Space Station shall not become available for

obligation until August 1, 1996 and shall remain available for obligation until September 30, 1997.]

SCIENCE, AERONAUTICS AND TECHNOLOGY

For necessary expenses, not otherwise provided for, for the conduct and support of science, aeronautics, and technology research and development activities, including research; development; operations; services; maintenance; construction of facilities including repair, rehabilitation and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance, and operation of mission and administrative aircraft; [\$5,588,000,000] \$5,960,700,000, to remain available until September 30, 1997.

MISSION SUPPORT

For necessary expenses, not otherwise provided for, in carrying out mission support for human space flight programs and science, aeronautical, and technology programs, including research operations and support; space communications activities including operations, production, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of facilities, minor construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); travel expenses; purchase, lease, charter, maintenance, and operation of mission and administrative aircraft; not to exceed \$35,000 for official reception and representation expenses; and purchase (not to exceed thirty-three for replacement only) and hire of passenger motor vehicles; [\$2,618,200,000] \$2,484,200,000, to remain available until September 30, 1997.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$16,000,000.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, when any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, the amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated in "Mission support" pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 1998.

Notwithstanding the limitation on the availability of funds appropriated for "Mission support" and "Office of Inspector General", amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September 30, 1996 and may be used to

enter into contracts for training, investigations, cost associated with personnel relocation, and for other services, to be provided during the next fiscal year.

[No amount appropriated pursuant to this or any other Act may be used for the lease or construction of a new contractor funded facility for exclusive use in support of a contract or contracts with the National Aeronautics and Space Administration under which the Administration would be required to substantially amortize through payment or reimbursement such contractor investment, unless an appropriations Act specifies the lease or contract pursuant to which such facilities are to be constructed or leased or such facility is otherwise identified in such Act. The Administrator may authorize such facility lease or construction, if he determines, in consultation with the Committees on Appropriations, that deferral of such action until the enactment of the next appropriations Act would be inconsistent with the interest of the Nation in aeronautical and space activities.]

The unexpired balances of prior appropriations to NASA for activities for which funds are provided under this Act may be transferred to the new account established for the appropriation that provides funds for such activity under this Act. Balances so transferred may be merged with funds in the newly established account and thereafter may be accounted for as one fund to be available for the same purposes and under the same terms and conditions.

Notwithstanding any other provision of law or regulation, the National Aeronautics and Space Administration shall convey, without reimbursement, to the State of Mississippi, all rights, title and interest of the United States in the property known as the Yellow Creek Facility and consisting of approximately 1,200 acres near the city of Iuka, Mississippi, including all improvements thereon and also including any personal property owned by NASA that is currently located on-site and which the State of Mississippi requires to facilitate the transfer: *Provided*, That appropriated funds shall be used to effect this conveyance: *Provided further*, That \$10,000,000 in appropriated funds otherwise available to the National Aeronautics and Space Administration shall be transferred to the State of Mississippi to be used in the transition of the facility: *Provided further*, That each Federal agency with prior contact to the site shall remain responsible for any and all environmental remediation made necessary as a result of its activities on the site: *Provided further*, That in consideration of this conveyance, the National Aeronautics and Space Administration may require such other terms and conditions as the Administrator deems appropriate to protect the interests of the United States: *Provided further*, That the conveyance of the site and the transfer of the funds to the State of Mississippi shall occur not later than thirty days from the date of enactment of this Act.

[The Administrator of the National Aeronautics and Space Administration shall conduct a study of the closing or re-structuring of Space Flight Centers and Research Centers. The study shall include an analysis of functions currently being performed at each Center, the cost of performing each function at its current location and at logical alternative Centers, the schedule for transitioning functions to alternative Centers, and the overall cost savings which will be derived from the closing or re-structuring of each Center. The findings of the study, including a detailed schedule for completion of the re-structuring, shall be submitted to the Congress no later than March 31, 1996. Closure or re-structuring of these Centers shall be completed no later than October 1, 1998.]

Of the funds made available by this Act under the heading "Human Space Flight", \$390,000,000 of funds provided for Space Station shall not become available for obligation until August 1, 1996 and shall remain available for obligation until September 30, 1997.

NATIONAL CREDIT UNION ADMINISTRATION CENTRAL LIQUIDITY FACILITY

During fiscal year 1996, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795) shall not exceed \$600,000,000: *Provided*, That administrative expenses of the Central Liquidity Facility in fiscal year 1996 shall not exceed \$560,000.

NATIONAL SCIENCE FOUNDATION RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft; \$2,294,000,000, of which not to exceed \$235,000,000 shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 1997: *Provided*, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: *Provided further*, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

MAJOR RESEARCH EQUIPMENT

For necessary expenses in carrying out major construction projects, and related expenses, pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), \$70,000,000, to remain available until expended.

ACADEMIC RESEARCH INFRASTRUCTURE

For necessary expenses in carrying out an academic research infrastructure program pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, \$100,000,000, to remain available until September 30, 1997.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, \$599,000,000, to remain available until September 30, 1997: *Provided*, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

SALARIES AND EXPENSES

For necessary salaries and expenses in carrying out the purposes of the National VerDate 20-SEP-

Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed \$9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services: \$127,310,000: *Provided*, That contracts may be entered into under salaries and expenses in fiscal year 1996 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

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, \$4,490,000, to remain available until September 30, 1997.

NATIONAL SCIENCE FOUNDATION HEADQUARTERS
RELOCATION

For necessary support of the relocation of the National Science Foundation, \$5,200,000: *Provided*, That these funds shall be used to reimburse the General Services Administration for services and related acquisitions in support of relocating the National Science Foundation.

NEIGHBORHOOD REINVESTMENT CORPORATION
PAYMENT TO THE NEIGHBORHOOD
REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101-8107), \$38,667,000.

SELECTIVE SERVICE SYSTEM
SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and not to exceed \$1,000 for official reception and representation expenses; \$22,930,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by the Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

DEPARTMENT OF JUSTICE

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 for contracts with qualified fair housing enforcement organizations, as authorized by section 561 of the Housing and Community Development Act of 1987, as amended by the Housing and Community Development Act of 1992, \$30,000,000, to remain available until September 30, 1997.

All functions, activities and responsibilities of the Secretary of Housing and Urban Development relating to title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and the Fair Housing Act, including any rights guaranteed under the Fair Housing Act (including any functions relating to the Fair Housing Initiatives program under section 561 of the Housing and Community Development Act of 1987), are hereby transferred to the Attorney General of the United States.

DEPARTMENT OF THE TREASURY
OFFICE OF FEDERAL HOUSING ENTERPRISE
OVERSIGHT

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, \$14,895,000, to remain available until expended, for the Federal Housing Enterprise Oversight Fund: *Provided*, That such funds shall be collected as authorized by sections 1316(a) and (b) of such Act, and deposited in the Fund under section 1316(f) of such Act: *Provided further*, That notwithstanding any other provision of law, the Secretary of the Treasury shall have all powers and rights of the Director and the Fund shall be within the Department of the Treasury.

TITLE IV
CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1996 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

RESOLUTION TRUST CORPORATION
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, \$11,400,000.

TITLE V
GENERAL PROVISIONS

SECTION 501. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: *Provided further*, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefor set forth in the estimates in the same proportion.

SEC. 502. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Develop-

ment and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 503. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Resolution Trust Corporation, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 504. 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. 505. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 506. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of any officer or employee authorized such transportation under title 31, United States Code, section 1344.

SEC. 507. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 508. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for Level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 509. None of the funds in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 510. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, VerDate 20-SEP

and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 511. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder, and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared, and (B) the contractor who prepared the report pursuant to such contract.

SEC. 512. Except as otherwise provided in section 506, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 513. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 514. Such sums as may be necessary for fiscal year 1996 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 515. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than \$300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 516. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 517. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A-21.

SEC. 518. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 519. (a) CONTRACTOR CONVERSION.—The Administrator of the Environmental Protection Agency shall cease any further

hiring in the Agency's Office of Research and Development.

[(b) REPORT.—Not later than January 1, 1996, the head of the Office of Research and Development of the Environmental Protection Agency shall submit to the Congress a report on all staffing plans including the use of Federal and contract employees.]

SEC. 520. Such funds as may be necessary to carry out the orderly termination of the Office of Consumer Affairs shall be made available from funds appropriated to the Department of Health and Human Services for fiscal year 1996.

This Act may be cited as the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996".

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I thank the Chair.

The Departments of Veterans Affairs and Housing and Urban Development and independent agencies appropriations bill for fiscal year 1996 embodies a comprehensive and systematic restructuring of Federal programs and activities within its jurisdiction.

Critical activities are refocused and supported.

Reforms to begin the difficult process of restoring fiscal reality and improving efficiency are initiated.

Over \$1 billion of obsolete and failed activities are terminated.

The proliferation of small, burdensome, categorical programs is cleared away and delegated in block grants to States and local governments.

Unsustainable policy mandates are repealed.

Now, Mr. President, there is no longer any dispute over the critical need to reduce excessive Federal spending and to bring the budget back into balance. It has been nearly 30 years since the Federal Government curbed its appetite for spending to match its income. Since that time, Federal outlays have increased from \$184 billion to nearly \$1.6 trillion. The gross Federal debt has soared from less than \$370 billion to nearly \$5 trillion. Interest on the Federal debt now exceeds the \$260 billion annual expenditure for all domestic discretionary programs by over \$100 billion.

Unless these alarming budgetary trends are reversed, resources available for discretionary programs such as those funded in this appropriations bill will soon shrink to negligible levels. The committee accepts measured reductions in discretionary spending as a necessary component of the multiyear budgetary plan to balance the Federal budget by the year 2002, if only because the consequences of failing to make such prudent reductions will be devastating, not only for ourselves, but our children, and their children. In addition, a balanced Federal budget will fuel new vitality in our Nation's economy which will provide the revenue necessary to sustain the priority programs which we propose to continue.

The artificial stimulus of runaway deficit spending has failed. It is collapsing under the weight of a massive Federal debt, and is being crowded out

by the pressure to meet interest payments on the debt and other mandatory costs. The bitter medicine of the congressional budget resolution is the only antidote to this poisoning of our Nation's economic health. If we stay the course, and cure our addiction to deficit spending, we have our best chance of sustaining the truly critical programs included in this appropriations bill.

Finally, the budget crisis has created a rare opportunity to address long-festered problems and reexamining long-entrenched social dogma underpinning many failed governmental programs.

Welfare reform, in part, is being implemented in the restructuring of low-income housing assistance programs funded in this appropriations bill. The 1960's era strategy of building high-rise public housing for families has failed. There is broad acceptance that these drug-infested, crime-breeding blights must be demolished. This bill provides a targeted focus on such efforts, but it also examines the root causes of such horrendously expensive failures and recommends comprehensive reform proposals to prevent such conditions from reoccurring, including efforts to encourage employment by recipients.

The committee recommendation provides for the termination or consolidation of scores of duplicative, wasteful or otherwise unnecessary programs and activities. The bill terminates five agencies—the Corporation for National and Community Service, AmeriCorps, the Office of Consumer Affairs, the Chemical Safety and Hazard Board, the Community Development Financial Institutions Board, and the Office of Federal Housing Enterprise Oversight, whose functions are transferred to the Secretary of the Treasury. In addition, the bill reflects the previously mandated termination of the Resolution Trust Corporation.

Another aspect of this bill is the assessment of the value of services provided by agencies, such as the Department of Veterans Affairs. In some cases, existing delivery schemes and organizational structures have been found deficient. For example, while most veterans medical facilities deliver top quality health services, many instances of systemic inefficiencies and a number of cases of substandard care have been painfully documented.

The committee is recommending accelerated adoption of modern medical practices for health care delivery in the VA system. In addition, the committee has targeted budgetary reductions in the Washington, DC, headquarters bureaucracy which impede, rather than facilitate, innovation and initiative at the local hospital and clinic level.

Mr. President, in the short time since I have assumed the chairmanship of this subcommittee, I have appealed and appealed again to the Secretary of Veterans Affairs for his help and assistance. During consideration of the budget resolution, I expressed my concern

over the potential impact of discretionary budget reductions on the Department of Veterans Affairs, and I specifically requested the advice and recommendations of the Secretary on how we could minimize the adverse effects of the constrained resources.

I wrote to the Secretary again after the House passed its appropriations bill in July and again in August. In each instance, the Secretary has not only failed to be responsive but has embarked instead on an concerted campaign to whip up opposition by veterans organizations and members of his own Department against any reforms or changes or improvements in the way the Department does business.

We can admire the Secretary for his tenacious advocacy of veterans service and benefits, but as the chief administrator of a \$37 billion agency, he must also accept responsibility for working with the rest of the administration and the Congress in improving management of his Department to meet the challenges of a declining discretionary Federal budget.

Despite the \$9 billion overall reduction in the bill for discretionary appropriations, we are recommending an increase of \$235 million for VA medical care. In a few instances, the committee was able to recommend modest increases in other VA accounts over the levels contained in the House-passed bill, such as \$5 million for medical research and \$59 million to accelerate veterans claims processing. There should be no doubt our goal is to improve services and benefits for our Nation's veterans. What is more important, during these times of budgetary constraint, our goal can be accomplished with overall reductions in the rate of increase of funding for the Department if we insist that the VA modernize its operations and reduce administrative overhead.

With the cooperation and help of the veterans, their service organizations and the Secretary, we could achieve this goal that we all share.

Mr. President, the committee has also seized this opportunity to probe deeply into the structure and management of the Environmental Protection Agency. The critical mission served by the EPA requires substantial direct funding and, through its regulatory authorities, imposes a tremendous financial burden on the economy and on all Americans.

The committee has recommended a new focus in the agency on improving the quality of the scientific basis for its regulatory decisionmaking.

In addition, the committee reviewed the internal resource allocation management structure of EPA and is recommending a number of improvements to assure better cooperation with other levels of Government and to focus Federal expenditures on activities of greater environmental benefit.

The amount provided for EPA is \$5.66 billion. While this represents a reduction of about \$1 billion below the fiscal

year 1995 level, it is an increase of \$769 million, 16 percent over the House.

The cuts below last year come primarily from Superfund and sewer treatment earmarks. As to Superfund, it is my strong view that there is no need to throw more money at a program which does not work and which badly needs to be reauthorized, revamped, and modernized. There is overwhelming documentation of how lawyers and other administrative cost burdens are milking the lion's share of these funds. This allocation of resources serves neither the environment nor the taxpayers, nor those who are being assessed charges for these activities.

While the authorizing committee is preparing reform legislation, we propose a moratorium on low-priority Superfund work.

Last year's bill also included about \$800 million in sewer construction earmarks for specific cities. All of that is eliminated in this year's bill. By eliminating these earmarks, the committee was able to increase to \$1.5 billion the appropriation for the State revolving funds which are distributed on an equitable formula basis to finance wastewater treatment facilities across the Nation. This is a 21 percent increase in a critical form of assistance to States and localities in meeting Federal clean water mandates and safe drinking water mandates if the measure is authorized.

The recommendation provides close to current funding levels for EPA's core operating programs—research, standard setting, technical assistance activities—while eliminating programs which are not crucial to the agency's core mission or which duplicate private sector or other agencies or State activities.

The committee recommends providing full funding to the States for their critical environmental programs which they run. More than 40 percent of the appropriations, \$2.34 billion, goes directly to the States for grants to meet environmental mandates. This is an increase of \$310 million over last year, and by providing those funds in a separate account for the first time, we can be sure that EPA will not be dipping into State funds to fund its own activities.

A great deal of attention has been focused on the so-called legislative riders included in the House-passed bill. Although House floor action concerned 17 of these provisions, the House bill, as it was finally passed, contained a total of 23 of these riders.

As cochairman of the regulatory reform task force, as a member of the Senate Environment and Public Works Committee, I am well aware of the need to restructure and redirect many of the regulatory policies of EPA. Furthermore, many of us are concerned over how current environmental statutes have been broadly interpreted, indeed in some instances we could say misinterpreted, by some courts to man-

date actions never contemplated by the Congress.

I have been working, in those capacities in which I serve, to seek the fundamental changes in our environmental laws which are long overdue and necessary to reduce regulatory burdens while protecting our citizens and the environment and ensuring that the vitally important work of improving the environment continues and that we not step backward. These are, however, very complex issues which demand close examination and careful consideration. That is why in formulating our recommendations, rather than using the House bill as a base, we did an independent assessment of those issues that could and should be addressed in this appropriations bill.

In drafting this bill, we set forth the standard that we would limit the so-called "riders," administrative provisions or legislative provisions, as they might be called, to matters which have previously been enacted into law in appropriations acts, or passed the Senate in other current legislation, are needed to eliminate duplication or unnecessary spending, or were narrowly drafted to meet a specific misapplication of law or policy.

Only one of the 23 House riders met this test: A limitation against EPA mandated car pooling. Two were modified to limit their application or clarify their intent—car inspection and maintenance and wetlands overfiling by EPA—and two others relating to drinking water were combined. The rest have been stricken.

The committee is recommending three additional provisions: One relating to MTBE use in Alaska, foreign refineries, and Superfund listings, all of which have been previously enacted. These are eight provisions that the committee believes are appropriate and necessary to warrant consideration. A list of these provisions are included in the agency summary attached to my statement.

Mr. President, one aspect of this bill which deserves special attention, however, is the committee's recommendations for the Department of Housing and Urban Development.

The committee's report contains an extensive analysis of the management and budgetary morass afflicting this Department along with an explanation of our proposed reforms. The committee's recommendations reflect many months of work on a focused and detailed examination of HUD and its housing programs. Beginning with a series of special hearings in January, and drawing upon the previous work of the HUD inspector general, the General Accounting Office, and the National Academy of Public Administration, the committee probed deeply into these complex issues. The committee's preliminary recommendations were reflected in the rescission bill enacted earlier this year which cut HUD funding by \$6.3 billion and redirected housing budgetary resources towards the

more critical concerns of demolishing failed and obsolete projects.

At that time the committee urged prompt action by the authorizing committees on urgently needed legislative reforms. These statutory changes are needed to curb the cost of these discretionary programs. Unfortunately, since this legislation has not yet moved, we have been compelled to include these reforms in the appropriations bill, because without these changes, the funds we appropriated would be wasted in perpetuating many of the inefficient, ineffective, counter-productive policies which created this mess in the first place. Our only alternative would have been to terminate funding, which would result in the displacement of thousands of families which depend on this assistance, and loss of desperately needed affordable housing opportunities.

Mr. President, that is the crux of the issues confronting us. We either take on this enormous task, not only of finding the substantial budgetary resources necessary to sustain these programs, but also of restructuring a host of very complex housing laws and programs, or, abdicate our responsibilities for providing housing assistance to needy families. We chose the more difficult and burdensome course.

Reforming these housing programs will take time, it will take discipline, it will take concerted effort, and it will entail sacrifice. If we fail, the consequences for families currently receiving or seeking assistance could be catastrophic, especially if we permit the current inventory of public and assisted housing stock to deteriorate further. The repercussions for our cities will be equally dire if these housing developments, rather than slowing or halting the decline of inner-city neighborhoods, merely become examples of further disinvestment.

Mr. President, I am pleased that this bill does stand for a commitment to the important goals of the Federal assisted housing program. It not only provides the funding necessary, but together with needed program reforms, it represents a coherent strategy for cleaning up the mess at HUD, and enabling us to place these programs on a sound footing to survive the further rounds of budget cuts which will follow over the next several years.

During Committee markup of this bill, concern was expressed over the potential cost of the legislative provisions associated with the HUD multifamily inventory. The three provisions in question were proposed to reduce the ongoing subsidy cost of maintaining these 1.6 million units of privately owned apartments which are covered by an assistance contract or by a FHA mortgage guarantee. The first would permit HUD to conduct a limited demonstration of its mark-to-market initiative along with other multi-family project workout strategies. The second provides authority to maintain project-based assistance for expiring contracts

under limited circumstances. The third reforms the Low-Income Housing Preservation and Resident Homeownership Act [LHPRHA] by replacing expensive section 8 subsidies with one-time capital grants and loans as a lower cost incentive to preserve existing affordable housing stock.

The HUD multifamily portfolio costs taxpayers about \$8 billion each year to subsidize, maintain, and pay-off loan losses, and these costs are rising because of inflationary factors and deterioration in this aging inventory of apartment buildings. The administrative provisions proposed by the committee are intended to enable HUD to reduce these costs by terminating subsidies for substandard or non-viable projects, and to squeeze out excessive subsidies from others. While these steps are necessary to substantially reduce the long-term cost of this inventory, when compared to the existing budgetary baseline, the measures recommended would cause a temporary increase in outlays. These costs in fiscal year 1996 result from recognition of mortgage guarantee losses, capital costs of preserving older assisted projects, and providing alternative subsidies to replace more costly section 8 contracts.

Unfortunately these costs cannot be accommodated within the subcommittee's very constrained budget allocation, even though they save money over the longer term.

I might add that we have worked with the Department of Housing and Urban Development, Office of Management Budget and Congressional Budget Office, and staffs on both sides of the aisle, to come to agreement on these very difficult problems. We have found that the solution to these problems is in no way simple and its complexities has forced us to postpone the implementation of these actions. We hope to continue to work with the Members on both sides, as well as the agency, OMB, and CBO, as we seek to unravel some very, very difficult problems which are facing us here.

The Committee, therefore, was forced to insert language which would have the effect of delaying the effective date of these provisions until fiscal year 1997. This does not lessen the need to take immediate action on these issues, nor the Committee's intent to seek alternatives which can be accommodated within this year's budget allocation.

I hope as this bill progresses, we will be able to come to better solutions which can begin the process of unraveling these difficult and costly problems earlier rather than later.

Failure by Congress to address this issue during this session will only exacerbate the budgetary shortfall threatening this large and critical inventory of assisted housing, and will lead to needless displacement of tens of thousands of low-income families, including the elderly and disabled, in fiscal year 1996 and beyond.

Mr. President, this appropriations bill reflects two principal concerns, both budgetary in nature. The first is the reversal in trend of annual increases in budgetary outlays for discretionary activities.

Over the past decade, discretionary outlays for programs funded in this bill have increased at an average annual rate approaching 15 percent per year, primarily driven by the cumulative growth in low-income housing assistance programs and inflationary costs related to veterans medical care. The congressional budget resolution for fiscal year 1996, H. Con. Res. 67, however, abruptly reverses this trend, halting further continued expenditure growth in these programs. To comply with this dramatic shift in spending policies, the recently enacted Rescission Act for fiscal year 1995, Public Law 104-19, canceled a total of \$8,500,000,000 in previously appropriated funds for programs included in this bill.

The second, and perhaps more significant budgetary concern is the future year constraints reflected in the budget resolution 7-year projection toward eliminating the Federal deficit by the year 2002. While overall nondefense discretionary expenditures are required to drop by 2.9 percent in fiscal year 1996, the reduction proposed for fiscal year 1997 totals 4.4 percent, and approximately 2 percent per year thereafter.

The committee, therefore, is confronting a profound shift from year-to-year budgetary increases to a multi-year period of substantial declines in aggregate funding support, in addition to the erosion in program levels resulting from inflationary factors. This reversal in funding trends is especially substantial for activities and programs sustained by funding in this appropriations bill.

The bill as recommended appropriates a discretionary total of \$61.6 billion in budget authority. While this is \$1.3 billion more than the House-passed measure, it is nearly \$9 billion less than the President's budget request and the originally enacted fiscal year 1995 level.

The White House, and some of my colleagues, have protested the overall size of these reductions. Frankly, when the committee originally established its subcommittee budget allocations, I also felt that programs funded in this bill should receive greater budgetary support. But to oppose this measure on the basis of its aggregate funding level fails to account for the necessary improvements and reforms we are proposing, and ignores the crisis of deficit spending which requires much more sacrifice and budgetary reductions in the years to come.

Mr. President, this is only a first step in long difficult march toward a balanced budget.

The change in direction from the growing budgets of the past to this declining one was abrupt, and could be moderated to avoid some temporary

disruption. There should be no confusion or doubt, however, that these reductions must be made, and will be made either in fiscal year 1996, or soon thereafter.

Mr. President, for the reasons I have set forth, I believe this is a responsible and necessary bill, one which the Senate should support and pass. It addresses our urgent need to rein in Federal spending. It does so in a manner that limits and targets these resources to the highest priority needs, and aggressively pursues improvements in program management to require increased effectiveness from these expenditures. Finally, where appropriate and necessary, the committee has recommended program and policy reforms which correct well documented deficiencies in current activities.

I urge all my colleagues will support this bill, and I hope it will be enacted into law soon.

I truly hope that my colleagues will support this bill and I hope that it will be enacted into law in the very near future.

Mr. President, before turning to my distinguished ranking member, I ask unanimous consent that a bill summary of H.R. 2099 be printed in the RECORD.

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

BILL SUMMARY—H.R. 2099

APPROPRIATIONS SUMMARY

F.Y. 1995 enacted—\$89,920,161,061.
F.Y. 1996 request—89,899,762,093.
F.Y. 1996 House—79,697,360,000.
F.Y. 1996 Senate—80,983,986,000.
(Includes VA mandatory items).

AGENCY SUMMARY

Department of Housing and Urban Development

F.Y. 1995 enacted—\$25,453,518,000.
F.Y. 1996 request—24,340,032,000.
F.Y. 1996 House—19,391,383,000.
F.Y. 1996 Senate—20,329,167,000.

The Committee is proposing landmark changes in the structure and nature of housing policies to enable local housing agencies, community organizations, and the private housing industry to adjust to declining Federal subsidy levels which have sustained and expanded this enterprise over the past 30 years. These program and policy changes cannot be implemented without some hardships and dislocations. However, unless this process is immediately undertaken with focused deliberation and determination, the potential for devastating loss of affordable housing stock and homelessness will greatly increase.

In addition to these policy changes, the Committee is recommending major restructuring of the Department's programs to eliminate an unwieldy number of proliferating categorical activities, in favor of broad, multi-purpose, financial assistance grants to States and local units of government. This effort is designed to reduce the crushing weight of Federal administrative and regulatory burdens on local program managers, and to reduce sharply an agency which widely has been cited as among the most dysfunctional in the Government.

The Committee concurs with much of the criticism voiced of this Department, and agrees that this organization must be completely transformed if it is to survive under the budgetary pressures and popular de-

mands for greater program accountability. It is clear, however, that irrespective of whether this Department continues to exist, there remains a substantial and growing need for housing and urban development in the Nation. Previous commitments by Congress to meet these housing needs make it incumbent on the Federal Government to continue a major role in this area. Moreover, the magnitude of previous appropriated budgetary commitments and financial obligations of the Department demand a substantial and effective entity to administer them. Fiscal prudence alone demands aggressive efforts to protect these financial interests.

The bill consolidates or eliminates a number of the 240 HUD categorical grants into block grants. This bill eliminates funding for the following separate HUD appropriations:

1. Flexible Subsidy Program.
2. HOPE I, II, III, and VI.
3. Congregate Services.*
4. Homeownership Trust.
5. Sec. 235 Homeownership Refinancing.
6. Housing Counseling Assistance.*
7. Service Coordinators.*
8. Public Housing development.
9. Public Housing amendments.
10. Tenant opportunity program.*
11. Pension Fund program.
12. New Initiatives.
13. Family Investment Centers.*
14. Family self-sufficiency coordinators.*
15. Loan Management.
16. Section 23 Conversions.
17. Foster child care.*
18. Special Purpose Grants.

*May be funded under supportive services block grant.

Department of Veterans Affairs

F.Y. 1995 enacted, \$18,244,869,061.
F.Y. 1996 request, 19,245,000,093.
F.Y. 1996 House, 18,361,637,000.
F.Y. 1996 Senate, 17,976,943,000.
(Discretionary only).

The cost growth in medical services provided to veterans cannot be continued during this period of declining discretionary budgetary resources. It is imperative that the Department of Veterans Affairs aggressively pursue reforms in management and service delivery to utilize available funds more efficiently, to prevent reductions in assistance levels to eligible veterans.

The veteran population is declining, and its needs are changing as it ages. While the Veterans Health Administration historically has been a hospital-based health care delivery system primarily serving acute care needs, its population is demanding community-based, outpatient and preventive health care services. Far less is being demanded in the way of inpatient services.

It is clear that VA can do more with less—and can become a more efficient, customer-oriented, high-quality health-care delivery system. Numerous inefficiencies have been identified in the VA medical system, including an over-reliance on hospitalization rather than ambulatory care, excessive payments related to its affiliations with medical schools, poor management of its pharmaceutical procurement and delivery systems, its bureaucratic administration of ascertaining veterans eligibility for care, and its insistence on maintaining services in under utilized areas.

VA must become a more agile, efficient, and modern health care delivery system, transitioning away from the hospital-based health care delivery system of the past. While less than the amount requested, the Committee recommendation for VA medical care represents the largest dollar increase over current funding levels in the VA, HUD, and Independent Agencies Appropriations bill, and will enable the Department to begin

to implement major, systemic changes to its health care delivery system to enable it to become a leaner, more efficient system.

In view of the pending reorganization of the Veterans Health Administration, and potential changes which may result, the Committee has put a moratorium on new major construction spending. However, the Department is to ensure that all critical code deficiencies and accreditation requirements are met through minor construction spending.

National Aeronautics and Space Administration

F.Y. 1995 enacted—\$14,376,684,000.
F.Y. 1996 request—14,260,000,000.
F.Y. 1996 House—13,671,800,000.
F.Y. 1996 Senate—13,798,500,000.

NASA has been engaged in a comprehensive redirection of basic operating principles to promote greater efficiency and flexibility in pursuing major scientific and engineering development programs. The Committee recommendation leaves intact the Nation's commitment to deploy the International Space Station, while making significant reductions in lower priority activities of the agency.

Also included in the bill are funds to continue critical investments in aeronautical technologies which underpin the future competitiveness of our Nation's commercial aircraft manufacturing industry. These high value, high technology products are crucial to maintaining one of our most significant sources of export sales and domestic manufacturing employment.

The Committee also maintains adequate funding to pursue an effective global-climate-change research program, and to follow through on other on-going scientific mission developments.

Environmental Protection Agency

F.Y. 1995 enacted—\$7,240,887,000.
F.Y. 1996 request—7,359,409,000.
F.Y. 1996 House—4,892,430,000.
F.Y. 1996 Senate—5,661,927,000.

The Committee of the Nation to securing improvements in the environment and to protect vital natural resources is reflected in the Committee's recommendation to continue substantial funding for this agency despite the overall constraints of discretionary budgetary limitations. The future year reduction in these funding levels will erode our ability to maintain current levels of environmental protection unless reforms are undertaken now to focus these resources on the most significant threats to our air, water, and land resources.

The Committee held a hearing earlier this year on the need to reform the Environmental Protection Agency, with a particular focus on a report compiled by the National Academy of Public Administration at this Committee's request. NAPA recommended major systemic changes to EPA, and identified numerous areas in which EPA is unnecessarily duplicating or micromanaging state and private sector environmental protection activities. NAPA recommended management and structural changes which could bring about significant efficiencies and improvements in the way EPA operates. In addition, NAPA agreed that EPA is not adequately prioritizing activities and resources based on risk to human health and the environment.

The Committee believes the NAPA recommendations should provide the basis for change at EPA. The Committee's recommendation for EPA is intended to begin to implement the NAPA's suggestions, streamline EPA activities, and focus its resources on high-risk areas.

The Subcommittee recommendation includes eight legislative provisions within EPA. All but one of the so-called riders in the House bill have been eliminated or modified. The Subcommittee limited most of the VerDate 20-SEP

provisions to ones that have been included in previous VA-HUD bills or other legislation, or eliminate duplication or unnecessary spending. The provisions included are:

1. Prohibiting EPA from requiring centralized inspection/maintenance facilities in FY96. This is the same language as was included by the Senate in the National Highway System bill.

2. Prohibiting EPA from requiring employers to adopt car-pooling plans in FY96. This language is one of the House "riders" and is the same language as was included in the FY95 rescission bill.

3. Prohibiting EPA from regulating radon and several other drinking water contaminants in FY96 unless the drinking water law is reauthorized. This provision is fully consistent with EPA's own attempts to negotiate extensions to the Court-ordered deadlines for these low-priority contaminants. For each of the contaminants in question, the relative risk is low or the science is not fully developed to support science-based rulemakings.

4. Prohibiting EPA from requiring in FY96 the use of MTBE in Alaska where there have been health concerns raised associated with the use of MTBE in FY96. This provision was carried in the FY94 VA-HUD bill, and does not exempt Alaska from Clean Air requirements.

5. Prohibiting EPA from vetoing decisions made by the Corps of Engineers regarding wetlands permits in FY96. This provision is intended to prevent EPA from overfiling on the Corps, and will streamline the Corps permitting process.

6. Prohibiting EPA from adding any new sites to the Superfund National Priorities list in FY96 unless requested by the Governor or tribal leader, unless the Superfund law is reauthorized. This is the same language included in the FY95 rescissions bill, and is consistent with the Subcommittee's decision to limit Superfund spending to current health risks pending reauthorization.

7. Authorizing an exemption from water pretreatment standards for industrial dischargers to the Kalamazoo water plant if environmental standards are met through a local pretreatment program. This provision is narrowly crafted and will not result in any environmental degradation; it will prevent duplicative and unnecessary wastewater treatment construction.

8. Foreign refiner baseline: Prohibiting EPA from enforcing the foreign refiner baseline for reformulated gasoline. This same provision was included in the FY95 VA-HUD bill, and ensures that foreign refiners are held to the same environmental standards as domestic refiners.

National Science Foundation

F.Y. 1995 enacted—\$3,360,520,000.

F.Y. 1996 request—3,360,000,000.

F.Y. 1996 House—3,160,000,000.

F.Y. 1996 Senate—3,200,000,000.

The Committee's recommendation continues current funding levels for the NSF which is responsible for most of the basic research grant funding provided by the Federal Government. Basic research, which seeks to improve our understanding of fundamental scientific principles and processes, provides the knowledge base which enriches our society and from which spring the development of applied technologies which drive our economy. Moreover, the Foundation is responsible for model educational and human resource developmental activities which seek to stimulate improvements in science and mathematics education. These goals of the agency remain a critical national priority which hopefully will be sustained despite the impending reductions in discretionary budgets.

Federal Emergency Management Agency

F.Y. 1995 enacted—\$821,907,000.

F.Y. 1996 request—806,119,000.

F.Y. 1996 House—694,937,000.

F.Y. 1996 Senate—463,437,000.

The Committee's recommendation for the Federal Emergency Management Agency ensures an adequate level of resources for retaining a strong and capable national disaster management system. While no funds are provided for the disaster relief fund (a reduction of \$320 million from the request and the F.Y. 95 level), approximately \$7 billion currently is available for disaster relief owing to the recent supplemental appropriation in Public Law 104-19.

PRIVILEGES OF THE FLOOR

Mr. BOND. Mr. President, I ask unanimous consent that Steve Isakowitz, a staff member on temporary assignment to the committee, be permitted privileges of the floor during consideration of H.R. 2099.

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

Mr. BOND. Mr. President, I ask unanimous consent that Andrew Wheeler, legislative fellow for Senator INHOFE, be permitted privileges of the floor for the duration of the VA-HUD bill.

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

Mr. BOND. Mr. President, I thank the Chair.

Before yielding to my distinguished ranking member, I say to this body and to my colleague that it is a great honor and pleasure to be working with the Senator from Maryland on this bill.

I had the pleasure of serving in the minority when she chaired this committee, and I found that she has tremendous knowledge, understanding, and insight into these programs.

I have addressed in my remarks the need to begin to make some very significant reforms in the funding and in the operations of the agencies included within this appropriations bill.

For the most part, the reforms we are advocating are ones that she initiated when she chaired this committee. They understand the vitally important work of all the agencies. Yet, she is also dedicated to the necessary reforms to assure that they provide the services that they are expected to provide in the most efficient and effective manner.

While we do not agree on all issues in this bill, I say that it is with great appreciation that I have been able to work with my distinguished ranking member and her staff. I believe she has continued to supply very useful and helpful changes and recommendations.

I look forward to working with her on this and other measures, particularly as we seek to achieve a final product that will be signed into law by the budget and will carry on the funding of the agencies funded by this VA-HUD bill.

I thank the Chair. I yield the floor.

Ms. MIKULSKI. Mr. President, I wish to thank the chairman of the VA-HUD Subcommittee for his very cordial remarks to me. I must say I feel the same about him.

I think we have worked very hard on this bill. I thank both him and his staff for what we have been able to do. We worked hard under very difficult conditions to get this bill to the floor.

Mr. President, this is the toughest year that I have ever faced as a member of the Appropriations Committee. What made this year so tough? Our allocation, both the allocation to the full committee and then the allocation to this particular subcommittee.

The allocation, as the President knows, is the sum total that we have to fund over 25 different Federal agencies, 7 of which are Cabinet level.

Quite frankly, Mr. President, the VA-HUD Subcommittee's fiscal year 1996 allocation is, indeed, skimpy. It is \$5 billion below the Budget Committee's assumption in budget authority and \$500 million below the assumption in outlays.

What does that mean? It means that the bill before the Senate appropriates a total of \$61 billion in discretionary budget authority which is, yes, \$1.3 billion above the House, but almost \$9 billion below President Clinton's fiscal year 1996 request and last year's funding level.

Our allocation gave us little to work with in dealing with a bill that came from the House of Representatives. Under these conditions, Senator BOND has done a commendable job.

I chaired this committee for 6 years. I brought six bills to the floor, so I know how much work it actually takes to do this. I want to thank Senator BOND for working so hard to maintain our cooperative working relationship.

I am particularly grateful to Senator BOND's efforts to continue many of the initiatives for reform developed by this subcommittee over the past several years. His efforts are clear. He has clearly left footprints in the sand in trying to move a reform agenda both in the areas of HUD and EPA. I want to thank him for this.

For example, this bill in reforming HUD puts into action the recommendations of the National Academy of Public Administration to reform the structure of HUD and consolidate its maze of programs.

When I chaired the committee, I saw that HUD had over 200 programs, some a line item, a lot of them not really getting a dollar's worth of services for home ownership for the poor, as it was, for a dollar's worth of taxes.

I know how it goes in Washington. If you propose any idea to change anything, somebody is going to come up with 12 ideas on why you will keep it.

That is why I turned to an independent group called the National Association of Public Administrators to really scrub down both HUD and EPA so that we would know from a management standpoint what we needed to do to get our hands on both of those agencies to make sure that we are getting a dollar's worth of service for a dollar's worth of taxes.

I believe in this legislation this bill does streamline EPA. It follows theVerDate 20-SEP-

NAPA recommendations to streamline EPA's management and it gets started on a strategy to put EPA's resources where they are needed most. We want EPA to be a risk-based agency in which they focus on risk to human health and the environment as their highest priorities.

Now, NAPA studied the need to reform both HUD and EPA. The studies were commissioned by this subcommittee more than 2 years ago in an effort to give the agencies what I call a navigational chart. Navigational charts are strategic plans to help the agencies do what they are most needed to do and in the most efficient way. This is where we have embarked upon reform, and I believe we have embarked upon it in HUD and EPA.

There are other things about this bill that I like, one of which is in the area of the space program, the fact that Mission to Planet Earth funding is almost fully restored. A House bill cut much of this crucial space science program and the House language to close NASA space centers has been removed from this bill. This is very important to helping NASA as it goes through budget cuts yet needs to keep America's space program flying high.

Because of the initiatives and framework put forth by Senator BOND, I believe we will be able to sustain what was badly being devastated.

Second, another area that is very much appreciated is that veterans medical research is fully funded at the President's request of \$257 million.

VA medical research is absolutely crucial, not only to America's veterans, but it provides hands-on specific clinical research associated with patient care, and much of what comes out of VA medical research goes immediately into the civilian population. It is an excellent program. I am pleased it is funded at \$257 million.

Third, this bill also will help those who want to help themselves. In the area of housing, it contains a moving to work demonstration for public housing residents, and Republican ceilings and income disregards to help support the working poor.

In other words, in HUD we want to focus on giving help to those who practice self-help, and to have coordination with welfare reform. Now, if you work, you are actually penalized and unable to get into public housing; and also in the area of rent.

I believe this reform begins to reward work which, Mr. President, is what we have to start doing in our public policy—rewarding work, promoting family stability, and particularly two-parent households.

Another thing that this bill does is removes something called Federal housing preference. I believe that these preferences that look only at rewarding the pathology involved with people are creating zip codes of poverty—and zip codes of pathology.

What we need in public housing is a mix among the poor—those who do not

want to be poor and are working to get out of poverty and off of welfare, and also those who are now the working poor but whose incomes are so modest that a public housing subsidy actually would reward work; and I believe that is what we are going to do.

I am also pleased that in the area of the National Science Foundation the committee's recommendation continues to current funding levels for the National Science Foundation which is responsible for most of the basic research funding and research grant funding provided by the Federal Government, basic research which seems to improve our understanding of the fundamental scientific principles and processes, and provides the knowledge base which enriches our society. It also continues to look at the strategic interests of the United States and how we can promote those.

Moreover, the foundation is responsible also for model education and human resource development activities which seeks to stimulate improvement in science and math education. Boy, do we need it. I am glad that the funding will be there to continue to help the science foundation do that.

These goals of the agency remain of critical national priority, which hopefully will be sustained despite the impending reductions in discretionary budgets.

For FEMA, the Federal Emergency Management Agency, I ask unanimous consent that the figures related thereto be printed in the RECORD.

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

<i>Federal Emergency Management Agency</i>	
Fiscal year:	
1995 enacted	\$821,907,000
1996 request	806,119,000
1996 House	694,937,000
1996 Senate	463,437,000

Let me say the committee's recommendation for FEMA ensures that adequate level of resources for retaining a strong and capable national disaster management system.

This is absolutely crucial as we see hurricanes, earthquakes, and other natural disasters affecting the American people. I am glad that FEMA—and which is now funding—is moving to a risk-based strategy which, of course, enables us to meet those concerns that will most likely affect American communities.

While no funds are provided for the disaster relief fund, approximately \$7 billion is currently available, owing to the recent supplemental appropriations and Public Law 104-19.

However, Mr. President, this bill also has several warning lights for me. One is an absolute red light. That is the fact that this bill contains no funding for national service. National service creates an opportunity structure. It enables young people to earn credit for higher education while serving in their communities. What does that credit mean? It means that, if you work in a

national service program, like AmeriCorps, you will earn a voucher that you can use to reduce your student debt. It gives help to those who practice self-help. It gives middle-class young people access to the American dream like their parents have, and it gives poor kids an access to the American dream by also working and working toward that.

This is very important because national service is exactly what we need. It fosters voluntarism. It rekindles the habits of heart. But it actually provides help to our young people with the biggest debt that they face when they graduate—their student loan debt which is their first mortgage. Without national service in this legislation, I cannot support the bill.

Also, another flashing light is in the area of veterans' medical care. This bill reduces veterans' medical care to \$511 million below the President's request, and \$327 million below the House level. This is another area that I cannot support.

This bill would also deny benefits to vets who become mentally and physically incapacitated. They served us during the wars, they served us unconditionally, and I oppose placing conditions on their earned benefits.

Our veterans did not hesitate to risk their lives for our freedom and independence. There should be no hesitation to fund their health. When they went to war we told them we would provide health care, and I believe promises made should be promises kept.

Another flashing light concerns EPA and the funding in this bill. EPA must be funded to protect environmental health and human safety. This bill funds EPA at \$1.7 billion below the President's request. I believe it will hinder EPA's ability to do its job even though management reforms will be adopted and streamlined.

Finally, this bill removes HUD's authority to enforce the Fair Housing Act as it applies to the property insurance industry. This bill means that HUD will have difficulty in enforcing, investigating, and even hearing and referring complaints about property insurance discrimination.

I am opposed to this because removing this authority from HUD is really a step backward.

I will be offering amendments to address these concerns that I have just raised, and so will some of my colleagues.

In closing, I want to thank Senator BOND again for his hard work and his willingness. He wrestled with policy issues, and a very skimpy allocation. I again thank him for his cordiality in working with me, but also for his resourcefulness in trying to grapple with these fiscal and policy juggernauts that we are facing.

Mr. President, I look forward to the debate. I know that there will be debate this afternoon on some of the top issues facing us.

I now yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

COMMITTEE AMENDMENTS AGREED TO EN BLOC
WITH EXCEPTIONS

Mr. BOND. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc with the following exceptions, which I believe have been cleared on the other side. The exceptions are the amendments on page 8, lines 9 and 10, VA medical care; page 12, line 9, VA major construction; page 21, line 1 through page 22, line 4, VA administrative provisions relating to parcel of land in Wichita, KS, and VA supply fund; page 22, line 10 through page 34, line 24, HUD assisted housing, public housing demolition, and renewal accounts; page 38, line 24 through page 39, line 2, homeless assistance; page 44, lines 1-7 fair housing; page 45, lines 4-13, Office of Federal Housing Enterprise Oversight; page 51, line 3 through page 128, line 20, HUD administrative provisions; page 141, lines 5-12, Superfund general revenues; page 141, line 15 Superfund inspector general; page 141, line 20, Agency for Toxic Substances and Disease Registry; page 143, line 17 through page 151, line 10, water infrastructure/SRF; program and infrastructure assistance; and EPA administrative provisions; page 158, lines 13-14, human space flight and delayed availability of funding; page 168, line 12 through page 169 line 19, fair housing transfer to Department of Justice and Office of Federal Housing Enterprise Oversight transfer to Treasury; page 177, line 16 through page 178, line 5, EPA contractor conversion; Office of Consumer Affairs termination; and that the bill, as thus amended, be regarded for the purpose of amendment as original text, provided that no points of order shall be considered to have been waived with respect to the committee amendments adopted by this motion.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

So the committee amendments, with the noted exceptions, were agreed to.

Mr. BOND. Mr. President, I gather that Members seeking to amend those provisions which are excepted will have to seek the guidance of the Parliamentarian on asking that the other amendments be set aside. I leave that to their ingenuity, and yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS addressed the Chair.

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

Mr. BUMPERS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

AMENDMENT NO. 2776 TO COMMITTEE
AMENDMENT ON PAGE 158, LINES 13-14

(Purpose: To reduce the appropriation for the implementation of the space station program for the purpose of terminating the program)

Mr. BUMPERS. Mr. President, I ask unanimous consent that the pending amendment be set aside in order for me to offer an amendment dealing with the space station.

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

Mr. BUMPERS. Mr. President, there is no agreement on time. I discussed this with Senator MIKULSKI, and at some point, perhaps this afternoon, with the consent of the majority leader, we will be able to reach a unanimous-consent agreement. My preference would be to go for an hour or so this afternoon, but most of my colleagues who wish to speak on this side of this issue are out of town and will not return until the morning.

So I had hoped we could get an agreement to debate for 1 hour before the vote. I understand the majority leader wanted the vote immediately after the party caucuses tomorrow, and I have no objection to that. I would prefer the hour of debate take place after the caucuses, but I want to be cooperative with the majority leader, and I do not want to complicate his problem in scheduling the Senate.

Now, Mr. President, I call up my amendment on the space station.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mr. WARNER, Mr. COHEN, Mr. KERRY, Mr. BRYAN, Mr. BRADLEY, Mr. FEINGOLD, Mr. LEAHY, Mr. KOHL, Mr. WELLSTONE, and Mr. SIMON, proposes an amendment numbered 2776 to committee amendment on page 158, lines 13-14.

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

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

The amendment is as follows:

Strike lines 14 through 15 on page 158 and insert in lieu thereof the following: "\$3,504,000,000, to remain available until September 30, 1996: *Provided*, That of the funds made available under this heading, no funds shall be expended on the Space Station program, except for termination costs."

Mr. BUMPERS. Now, just for opening, Mr. President, this amendment cuts \$1,833,000,000 from the human space flight portion of the NASA budget, and it terminates the space station program.

Now, Mr. President, I guess this is about the sixth consecutive year I have stood here in an effort to kill this program. I do not do this every year because I enjoy it; I do it because I have a deep and abiding feeling, a passionate feeling that there is not anything wrong with this country except the priorities Congress has set for the Nation. When it comes to the space station, let

me just begin by making a simple proposition for my colleagues.

If you think going to Mars is a highly desirable thing to do, even though in today's dollars it would cost \$500 billion, then you should vote against this amendment. If you think determining how well the human body copes with long periods in space and that that is a sufficient justification for the space station, vote against our amendment. If you think the United States ought to equivalent of \$25 million a day for the entire 10-year period the space station will be deployed—let me repeat that—if you think the benefits from the space station justify taking \$25 million of taxpayers' money every single day for 10 years, vote "no" on this amendment.

If you think it is a wise use of the taxpayers' money to build something which indeed will be an engineering feat—not a scientific feat; please distinguish between the two; there is not any question, Mr. President, about our ability to throw this space station into space; we can do that; we may have a few calamities along the way, but we can do that—but if you think it is a wise use of the taxpayers' money to build something—you have heard that old expression, my mother used to say, "It is worth its weight in gold"? If you think that the space station is worth 25 times its weight in gold, vote "no" on our amendment.

If you think it is worth it to put this engineering feat in space with some idea of going to Mars and beyond—which I will prove to you categorically in a moment is the only justification for it—and that it is worth \$12,880 of the taxpayers' money for every pound of water, chicken breast, supplies, or anything else we send up there—that is right. You can buy chicken at Giant for 59 to 69 cents a pound. For the space station, it is \$12,880 per pound. If you believe all that, vote "no" on this amendment.

Now, Mr. President, Carl Sagan, is a well-known physicist and author, and I want to quote some of the things he says in a new book he has written.

Let me say at the outset that Carl Sagan favors the space station. I can understand why somebody of his stature and in his position would favor the space station. But a moment ago I told you the only justification for the space station is to explore Mars and beyond. And from Carl Sagan's new book, let me give you a few quotes:

I would argue that if we are not eventually going to send people to worlds as far away as Mars, we have lost the chief reason for the space station.

If you want to argue with that, be my guest.

A permanently occupied human outpost in Earth orbit, a space station, is far from an optimum platform for doing science, either looking down at the Earth or looking out into space or for utilizing microgravity. The very presence of astronauts messes things up.

Almost every physicist in the country, Mr. President, will tell you that

doing research in microgravity with human beings on board is an oxymoron. You bump your head against the bulkhead, you take a step, you jar the space station and your experiment is lost.

Continuing to quote Dr. Sagan:

A space station is also unnecessary for human exploration of the Moon. Apollo got there very well with no space station at all. . . . But the only substantive function of a space station, as far as I can see, is for long duration spaceflight.

Now, if this were country lawyer DALE BUMPERS, Charleston, AR, telling you this thing, I would not expect you to pay any attention to it. And Carl Sagan is not the only person I am going to quote. I am going to quote some of the most outstanding experts in America who agree with me.

Carl Sagan goes on:

The only tangible and coherent goal of a space station is eventual human missions to near-Earth asteroids, Mars, and beyond.

And listen to this, I say to my colleagues:

Historically, NASA has been cautious about stating this fact clearly, probably for fear that Members of Congress will throw up their hands in disgust, denounce the space station as the thin edge of an extremely expensive wedge and declare the country unready to commit to launching people to Mars.

Well, I would certainly hope Congress would do that.

In the past, the authorities at NASA have been very reluctant to talk about Mars, because when you talk about Mars, you have to talk about \$500 billion in today's dollars. Is it not amazing our priorities around here? I do not want to get ahead of myself. I will come back to that in a moment.

Carl Sagan goes on, and I agree with him totally on this one and I think most people will, but they will not vote that way:

There are other matters, clear crying national needs, that cannot be addressed without major expenditures; at the same time the Federal discretionary budget has become painfully constrained. Disposal of chemical and radioactive poisons, energy efficiency, alternatives to fossil fuels, declining rates of technological innovation, the collapsing urban infrastructure, the AIDS epidemic, a witches brew of cancer, homelessness, malnutrition, infant mortality, education, jobs, health care—there is a painfully long list. Ignoring them will endanger the well-being of the Nation.

I do not see how anybody could say that any better.

Mr. President, if you are one of these poor, innocent souls that has been deluded into believing that somehow or another we are going to do medical research in space, let me give you some more. This is Dr. Allan Bromley, Presidential science adviser, in a letter to the Vice President:

The space station is needed to find means of maintaining human life during long space flights. This is the only scientific justification, in our view, and all future design efforts should be focused on this one purpose.

Further,

The Federation of American Societies for Experimental Biology opposes using biologi-

cal research as a major justification for the space station.

A quote from the American College of Physicians:

We agree that much, if not all, of the money slated for the space station, the superconducting super collider—

This is before we killed that thing—

SDI, defense intelligence, could be better spent on improving the health of our citizens, stimulating economic growth and reducing the deficit.

I could not have said it better.

And here is a statement by the American Physical Society from July 1994. The American Physical Society is 40,000 physicists. Virtually every physicist in America belongs to it:

The principal scientific mission of the station is to study the effects on humans of prolonged exposure to a space environment. Medical researchers scoff at claims that these studies might lead to cures for diseases on Earth.

Dr. Rosenthal, Harvard Medical School, testifying for the American Cancer Society in 1994:

Statements have been made and published to the effect that vital cancer research would be done in space, and that is cited as a reason for supporting space station funding. We cannot find valid scientific justification for these claims and believe it is unrealistic to base a decision on funding the space station on that information. Based on the information we have seen thus far, we do not agree that a strong case has been made for choosing to do cancer research in space over other critically needed research here on Earth.

Dr. Sean Rudy, Arthritis Foundation, before the Budget Committee of the House:

Space station proponents have indicated that the space station will provide a first-class laboratory. We used to have first-class laboratories in universities and medical schools across this country. Reports by the NIH and National Science Foundation have indicated that over 51 percent of the biological laboratory research space is deemed inadequate for the conduct of research. Furthermore, the National Science Foundation report estimated that the capital construction backlog for laboratories on Earth is \$12 billion. Should our priorities now be a first-class laboratory in space or correction of a longstanding deficiency in laboratories throughout the country?

James Van Allen, world-famous astrophysicist and discoverer of the Van Allen radiation belt around the Earth:

There's been nothing that resulted from the manned space program, essentially nothing in the way of extraordinary pharmaceuticals or cures for disease or any extraordinary crystals which have revolutionized electronics. It's all false, it's not true.

That is not DALE BUMPERS talking, but Dr. James Van Allen, one of the premier astrophysicists of this century.

Mr. President, so much for life sciences. And then there is that thing about microgravity. Dr. Bloembergen of Harvard summed up, "microgravity is of microimportance." I am reluctant to continue reading what scientists say, but repeating Carl Sagan, "The very presence of astronauts messes things up." Dr. Allan Bromley again, Presidential science adviser, said,

The human habitation of the space station is fundamentally incompatible with the requirement that microgravity experiments be unperturbed.

The Space Studies Board of the National Research Council:

The Board believes specifically that more microgravity research progress could be achieved in a shorter period of time and at a fraction of the cost through an expanded program of Spacelab missions and of free flier experiments.

In short, you do not have to have a manned space craft to do microgravity research.

Mr. President, let us go to spinoffs. Everybody is always talking about what the spinoffs are going to be. I have yet to find anybody who says that the spinoffs are more than negligible. We have developed a space suit. There is no great demand for space suits in our Nation. There is, however, a great need to reduce crime, to feed the hungry, to educate our children, to house our people. But there is no demand for space suits.

As Carl Sagan said, "The spinoff justifications constitute an admission that the program cannot stand on its own two feet and cannot be justified by the purpose for which it was originally sold."

And listen to this one from the Wall Street Journal. I want all my opponents to scratch this subject out of their comments. They always make this point, and I want to kill it before it gets off the ground:

Many widely believed origins of consumer products in the Apollo program are simply untrue. Tang, hyped by General Foods Corporation as a drink of astronauts, was first marketed in 1957. Velcro . . . was developed in the 1940's. And teflon . . . emerged from company labs in 1938, long before rockets cleared the Earth's atmosphere. So too, Corning Ware cookery hit the market several years before man reached space.

Now, Mr. President, there is an argument that we can grow protein crystals in space, or that we can do valuable research in physics by growing gallium arsenide metal crystals that could be used in manufacturing semiconductors. I am not going to continue reading to you, but I have quote after quote after quote saying: Totally false.

Just use your common sense, colleagues. I want you to get up in opposition to this amendment and tell me about all the medical advances we have gotten out of the billions and billions we have spent on the space program. Tell me what it has done for cancer, AIDS, multiple sclerosis, amyotrophic lateral sclerosis, arthritis. Tell me what single advance made in the last 30 years came out of space. The Russians have had space stations since the mid 1970's. They are lucky that one has not been knocked out of the sky by a piece of debris. Something could happen one of these days. We can only hope that, after spending \$90 billion to deploy this thing, it will not be knocked out of the sky by a baseball-size piece of space debris.

When I talk about \$94 billion for the cost of this thing, that is just thisVerDate 20-SEP-

year's estimate. Last year, the estimate was \$72 billion. It goes up monumentally every year. Do you know what it does not include? It does not include that 1 to 2 percent chance that one of the shuttles is going to meet with a major catastrophe. Do you know what else it does not include? It does not include the risk, as I said, of a baseball-size piece of debris hitting the space station, which is goodbye, adios, adieu, space station. No, the \$94 billion figure assumes that everything is going to go perfectly. Who here believes that?

Carl Sagan wrote me a letter and told me—I think perhaps you all got the same letter—how excited the people were about "Apollo 13." I have not seen it. I understand it is a great movie, and I intend to see it. They were very brave men, but no braver than the one sitting near me right now, the first American to orbit the Earth. I consider JOHN GLENN one of the dearest friends I ever had, but he just happens to be wrong on this issue. Everybody is entitled to their own positions.

I will tell you all an interesting little anecdote. I was down at the Smithsonian one day and I saw that capsule JOHN GLENN orbited the Earth in, and I came back and I said to him, "JOHN, weren't you terrified? I would be scared to death to get in that thing." He said, "Well, to tell you the truth, I was sitting up their whistling. They had already scrubbed the flight a couple of times and I expected they would scrub it again. And then they said, 'You have 60 seconds,' and I did not have time to get scared."

I looked at that capsule with new admiration for my colleague, one of my dearest friends. When I saw those people retrieve the Hubble telescope, I was glued to my television set just as you were. And last week, the astronauts were out on the arm of the totem pole retrieving another satellite that had gone awry. These are magnificent, brave people. But, colleagues, that is not what this debate is about. We have a lot of brave people in the country who cannot find jobs.

But back to what you get out of it, I am just simply saying the American people have a right to expect us to do what is right for the future. The 1994 revolution, in my opinion, said: We do not believe your priorities are right. I can tell you, a lot of people who are on Medicare would not have voted the way they did if they had known Medicare was going to take a whopping \$270 billion trouncing.

Carl Sagan said in his letter to me that he was for the space station because he believed in the exploration of space. So do I. He said he believed in it because it was a case of international cooperation with the Europeans, Russians, Canadians, and the Japanese. He thinks that is healthy. I think it is healthy for there to be international cooperation on anything, whether it is space, medicine, you name it. Let me tell you something, colleagues. In a perfect world, I would be for this. If we

did not have a nearly \$5 trillion debt and the threat of certain people in the U.S. Congress saying we are going to bring this country down—can you imagine somebody saying that? If the President does not do what we tell him to, this country is coming to a screeching halt.

Words should be measured very carefully because people pay attention and get justifiably frightened. It scares me to think that people in this body have the power to do that.

But let's look at the international cooperation on the space station: The Canadians and the Italians are cutting back; the Germans and the French are negotiating on what they want to do. The Russians, who intend to do a lot, will only do it if we give them the money. Russia does not have enough bread to feed its people so they are not going to be able to participate unless we give them the money.

I am not all that opposed to helping Russia. I want to do everything I can to help democracy work in Russia, and one of the best ways to make democracy work is to give people jobs and bread and something to eat. The reason they have the revolution is they did not have bread or food or anything to eat. I want to help them make it work.

Where is the Russian launch going to take place? It will take place in Kazakhstan. Kazakhstan is no longer a part of Russia. That is where their cosmodrome is. That is where their launch site is. It is not even in Russia. So talk about things that can go wrong, this one can go wrong.

I think about the problems here, and those that I mentioned a moment ago. It drives me crazy that Public Broadcasting is being cut dramatically. It drives me crazy that the National Endowment for the Arts and the National Endowment for the Humanities are being virtually eliminated, cut in half. Those are things that have a civilizing influence on our society, that would make us a little more cultured and therefore a little less likely to kill each other because somebody dented your fender at the spotlight.

The New York Times last week said that the demand for student loans is skyrocketing. Do you know why? Because tuition is skyrocketing. Everybody is saying how are these college kids who are getting out of school, how are they going to pay this debt back? They are loaded with big debt. So our answer is to cut student loans and that way they will not accumulate the debt in the first place. However, they will not get an education either.

Every one of the things I mentioned—from crime, to medical research, to education, to infant mortality rate, cutting health care for the elderly, cutting health care dramatically for the poorest of the poor, cutting money for the Environmental Protection Agency because they regulate things so we can drink clean water and breathe clean air—we are cutting. But we fund the space station.

Six Senators took a trip overseas about a month ago. We did not dare drink the water. We brushed our teeth with bottled water that we took with us. Fortunately, in this country we have made some progress in cleaning up our drinking water.

So what is our solution to the progress we have made? Two-thirds of the water is now swimmable, two-thirds of the water in the country is now fishable, whereas in 1971 only one-third was. So now the idea is to cut back on the regulation. So we, too, will have the opportunity to brush our teeth in bottled water until it runs out.

Just last Friday the House said we are going to cut the earned-income tax credit that poor working people use to stay off welfare, something the majority leader, President Bush, President Reagan, almost everybody, has applauded as the greatest program we have ever invented to keep people off welfare. What are they going to do with it? Whack it in half.

I talked to a woman the other day who works hard and does not make very much money. She told me how much money she made. I said, "How much do you pay for child care?" She said, "I pay \$50 a week for one child," she is a single mother, "\$50 for one child and \$43 for one child." That is \$93 a week. If you knew what she made, you would wonder how on Earth she is doing it.

Let me digress another moment to say we are not providing enough child care in the welfare bill to allow the people to go to work that we say have to go to work—50 percent by the year 2000. No woman is going to go to work and leave her children at home alone.

If you do not have child care, she will not go to work. She will sit home and starve. But the other thing, this woman gets no help. She works. She works 8 hours a day and sometimes longer and she works hard. She gets at the end of the year that earned-income tax credit which is oftentimes the difference between eating and not eating for families.

So what are we doing? We are dropping that program from a program that covers 20 million people to a program that covers 9 million in the House of Representatives and 11 million in the Senate. We will probably compromise at 10 million.

When it comes to cutting around here, if you are poor, it is easy to cut you because you do not have a PAC. You do not make campaign contributions and you do not provide jobs in your State. So it is easy to cut poor folks.

It is easy to cut the Environmental Protection Agency. It is obviously easy to cut student loans, though I thought that program was sacred. But we are cutting it.

We are cutting title 1, which is the program that is a remedial education program to give first graders a start in life—teaching them to read. We are cutting that. VerDate 20-SEP-95 02:15 Oct 03, 1995 Jkt 010199

But we are not cutting the *Seawolf*. We are not cutting the B-2 bomber. We are not cutting the space station. I know the Presiding Officer would be disappointed if I did not point out we are not going to stop giving away billions of dollars worth of gold underneath Federal land—the rankest form of corporate welfare.

I can say if you do not want to be cut around here, just make something that explodes and we will give you all the money that you want.

I give NASA credit for one thing. They took a leaf out of the Pentagon's book. They spread the contracts for the space station among 36 States. A person does not have to be a rocket scientist to know all you have to have around here are 26 States that have as many as 10 jobs, and you cannot kill it, because that is 52 votes.

So we have 36 States with a piece of the action. Do you know what is interesting? Eighty-three percent of this \$94 billion goes to California, Alabama, Texas, and Florida. All the other 32 States are fighting for 17 percent of the money. But if there is \$1 million in your State, that means you probably have 50 jobs.

People will come up on the floor and say, "I do not like the space station, and I would like to vote with you, but we have a few little jobs down in my State."

Mr. President, 44 States contribute more as a percentage of the tax burden for the space station—listen to this—44 States contribute more than they get back.

The thing that drove me nuts about the B-1 and the B-2 is they changed missions. When the cold war ended and we found out the B-2 was not as stealthy as we thought, we just said, "Well, we will make it a conventional bomber." All you have to do is change the mission to keep the money flowing. We also have now made a conventional bomber out of the B-1.

The space station had eight missions. Here they are. This is what we started out to do with the space station. Over a period of 10 years, we scrubbed it as a staging base; we scrubbed it as a manufacturing facility; we scrubbed it as a space-based observatory; we scrubbed it as a transportation node; we scrubbed making it a servicing facility; we scrubbed making it an assembly facility; we scrubbed making it a storage facility; and we are now down to the last possible mission, a research laboratory. And I just got through telling you that almost every physicist and physician in the country says that is palpable nonsense.

Let me show you some figures. Bear in mind that when Ronald Reagan made his great speech about how we were going to go build the space station, that was in 1984. Mr. President, just to remind you—and I know I do not need to; you were there. You heard President Reagan say we are going to build this space station, and it is going to cost \$8 billion; 10, 11 years ago it was

going to cost \$8 billion. By 1994, we had already spent \$11.2 billion. The construction of the project will cost \$17.4 billion between 1995 and the year 2002, the magic year that we are going to balance the budget. But the money we have spent, the money we are going to spend in building it, you add to that the shuttle flights needed to launch it, service and use the station, \$50 billion. And just to operate it for 10 years is \$13 billion and station-related costs is \$1.9 billion, for the total paltry sum of \$94 billion.

What you get out of the eight missions is a space laboratory. The other seven are gone.

It is all a question of priorities and where your heart is, colleagues.

Here is what it is going to cost us over the next 7 years to build the space station and deploy it—\$32 billion. Here is the tax cut we are going to give people who make \$100,000 and more, \$245 billion. A vast majority of these people are "them what has." We used to have an old expression in Charleston, AR: "Them that has gets." Two-hundred and forty-five billion dollars for that, and then a \$58 billion increase over the next 7 years for defense.

What are we doing to accommodate all of this? We are going to cut Medicare by \$270 billion and Medicaid by \$182 billion. I promise you that I intend to vote against both, if those are the final figures.

We are cutting student loans by \$10 billion at a time when the need for loans is soaring because tuition is soaring.

The earned income tax credit, which I mentioned a moment ago, we are cutting by \$23 billion; other domestic programs by \$188 billion, so that we can increase defense by \$58 billion and fund the space station.

When are we going to learn that our national security does not just depend on how many tanks, planes and guns we have? It has nothing to do with the space station.

As an aside, I stood on this floor a few weeks ago and debated creating yet one more method of financing foreign arms sales. In the 1980's, Mr. President, we sold about 20 to 25 percent of all the arms sold in international commerce. In the 1990's, we have gotten up over 50 percent.

We already have four methods of financing foreign arms sales. And the Defense appropriations bill comes in here and approves yet a fifth method of financing foreign arms sales to some of the countries that are most likely to default. And, if that happens, the taxpayers will pick up the tab.

Mr. President, what does it take to kill a program? I do not know. I believed when I came here that one Senator could make a difference. There have been a few times that I have been able to make a difference. It was a very difficult thing for me coming from the Governor's mansion to the U.S. Senate where you have to introduce bills, hold hearings, finally get it passed through

a subcommittee, get it passed through the full committee, and hope to get it on the floor and send it over to the House where it goes through the same procedure, and then the President may veto it. That takes about a year. But when you are a Governor, you can just sign your name occasionally and make something happen. I used to go home at night about 50 percent of the time immensely gratified for something which I had signed my name to that day that I knew was going to happen. Here it is totally different.

I am not going to belabor this any further. I have said about all I can say. There are a lot more quotes that I could use.

But I am asking you to search your own conscience. If you were debating this on national television, how do you think it would come out? If you were debating mining land reform on national television, how do you think it would come out? Everybody knows how it would come out—about 90-10 to fix mining law. The space station would be a little bit closer. But, you see, there will not be a national television debate. We will all go home and tell the chamber of commerce that the hardships they are enduring and all the cuts we had to make in their health care and education programs was to balance the budget by the year 2002. And they will never really know why their lives grow more precarious and why they are more unsettled, and why they think affirmative action, or gays in the military, or prayer in school, or term limits, or desecration of the flag are really their problems. As long as you can keep them talking about those things and divert their attention from the real problems in the country, you have a winner. So far it has worked magnificently.

The reason is because they work for a living. They do not have time to keep up with what we are doing.

So when you say, "We had to do this for you, we had to liberate you from welfare, we had to do all of these things to balance the budget," you have no choice but to believe it.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Ohio.

Mr. GLENN. Mr. President, probably about 90 or maybe even 95 percent of the time around here the Senator from Arkansas and I agree and agree wholeheartedly. He stated that correctly. We are friends. We are close friends. I do not know anyone here I consider more a friend than the Senator from Arkansas. If the Senate of the United States has anyone who deserves the title of being an accomplished orator, it certainly is the Senator from Arkansas.

So we do normally agree on things and we are close friends, but every year we seem to lock horns on this particular issue and we go at it on this because I am profoundly in disagreement with him on the amendment that he has put forward today.

I rose in the Senate in early August, and I made a statement that covered

some of the benefits of NASA-funded research including the space station. I talked about the need for curiosity. All advancement in humankind, wherever it is, comes because someone is curious, someone is curious about how you can do things differently, how you can do things better. Can I invent something? Can I make an improvement in medical science? Can I do something in engineering? Can I do something in agriculture?

That curiosity is at the heart of all progress and at the heart of what makes this country great, because we throughout our history have invested more in basic research and technology than any nation. Out of that has come the technological leadership of the whole world.

In my August 1, 1995, statement I talked about advances in agriculture. When I was a kid back in Ohio, 48 to 50 bushels was a good corn crop. We had the record corn crop in Ohio, 239 bushels, last year in part because our country invested in basic research.

I talked then about metals and about aerodynamics. The Federal Government funded basic research in these areas which permitted the growth of the aviation industry in this country and our leadership in the world. And I spoke about research in medicine as well as research in space and telecommunications.

Mr. President, we have a very basic question, it seems to me, and that is, who is going to be responsible for the class of 2015 or 2025 or 2050? Any great nation invests in the future for its children. One organization we have in Government that is setting out to do the 10-, the 15-, the 25-year research more than any other agency really is NASA.

Twenty years ago, we invested in a number of different things—digital technology, a number of things that some people thought were foolish to put money into, but we went ahead with it. And now we have a number of advances relating directly from that investment, including better imaging for medicine. Let me explain. We were able to apply some of that digital technology to the Hubble telescope. Some digital technology was developed especially for the Hubble, to enable astronomers to distinguish very minute points of light. We applied this technology, and some associated computer enhancements to medical imaging. And it turns out that we are now able to detect breast cancer tumors five times better than we used to be able to do. This was an unexpected benefit from the much-maligned Hubble telescope. This shows the potential payoff from long-term research—from preliminary Federal investment in basic research on digital technology to application on the Hubble to application in breast cancer detection.

In this country, we have been fortunate to have a balance in research up until recent years. And that balance was between Government and private investment, where major American

corporations put forward, sponsored their own research laboratories, and did fundamental basic research, the 8-, the 10-, the 12-, the 15-year projects that they did not expect to get immediate market-oriented payoffs from.

Now we find that going down. Businesses are not making as much investment in basic research. And the Federal Government too, if some have their way, will reduce its investment in basic research. The balance we had with private and Government basic research, where the Government would take on the more risky projects, those that were less guaranteed of immediate success that would benefit the marketplace, is now going down. In the past, the Government took on such things as the Manhattan project, things that moved us ahead in nuclear weaponry and our nuclear knowledge in general in this country. But there was that kind of balance back and forth between private and Government research projects. And now that has gone down.

I would like to quote liberally from a Wall Street Journal article written by Gautam Naik, a staff reporter to the Wall Street Journal, an article that was published in May of this year. He talks about:

In the late 1980's, Bob Lucky had what he calls "a great fantasy." As a researcher at AT&T Corp.'s celebrated Bell Labs, he was designing a silicone robot the size of a grain of sand. Injected into the human body, it would act as a microsurgeon, traveling to specific locations to fix problems.

He goes on to say he was proud of that. "The benefits to society could be tremendous," but they scrapped that project "because it had no bearing on its main business." Mr. Lucky, who was a 31-year veteran, is now at a different company.

"Chasing far-out notions," the Journal goes on to say, "has been a hallmark of industrial research in America. But some of the biggest U.S. corporations have cut back sharply on research into 'basic science'—the exploration of how nature works at a fundamental level." And now they are pursuing "short-term goals to commercialize products more quickly."

The following quote from the article startled me: "Corporate labs, home to 75 percent of the Nation's scientists and researchers, are replacing a cherished culture of independence with a results-oriented approach."

"In past decades, the devotion of basic research without regard to boosting the bottom line spawned a steady stream of breakthroughs, including the transistor, the solar cell and the forerunner to today's laser—all at Bell Labs." Now they are cutting back. Cutbacks have taken a toll. "Some disillusioned scientists have fled to academia," and so on. And "already, U.S. companies are falling behind in advanced data-storage devices and technology for oil exploration," as one example. The short-term response, he says, has to keep the stockholders happy.

"The National Science Foundation," the article continues, "calculates that U.S. spending on basic research declined slightly to \$9.7 billion in 1993 and didn't rise last year."

"In a survey by R&D Magazine, half of all companies with 'research and development' budgets of \$50 million or more plan to cut spending this year, for a 3.5 percent decline overall. (About 10 percent of the R&D budget is typically devoted to basic research.)"

These are startling figures because the United States, instead of going ahead with the goose that has laid the golden egg in this country, basic research, that has given us the new handle on the future, is cutting back, cutting back in a tremendous way.

Mr. President, I ask unanimous consent that this entire article be printed in the RECORD.

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

[From the Wall Street Journal, May 22, 1995]

TECHNOLOGY—CORPORATE RESEARCH: HOW MUCH IS IT WORTH?
(By Gautam Naik)

In the late 1980s, Bob Lucky had what he calls "a great fantasy."

As a researcher at AT&T Corp.'s celebrated Bell Laboratories, he was designing a silicon robot the size of a grain of sand. Injected into the human body, it would act as a microsurgeon, traveling to specific locations to fix problems.

"I was damn proud of the stuff we did. The benefits to society could be tremendous," Mr. Lucky says. But AT&T scrapped the RESEARCH because it had no bearing on its main business. Mr. Lucky, a 31-year veteran of Bell Labs, is now at Bellcore.

Chasing far-out notions has long been a hallmark of industrial RESEARCH in America. But some of the biggest U.S. corporations have cut back sharply on RESEARCH into "basic science"—the exploration of how nature works at a fundamental level—to pursue short-term goals and to commercialize products more quickly. Corporate labs, home to 75% of the nation's scientists and researchers, are replacing a cherished culture of independence with a results-oriented approach.

In past decades, the devotion to basic RESEARCH without regard to boosting the bottom line spawned a steady stream of breakthroughs, including the transistor, the solar cell and the forerunner to today's laser—all at Bell Labs. Now, in the 1990s, the cutbacks are taking a toll. Some disillusioned scientists have fled to academia. Already, U.S. companies are falling behind in advanced data-storage devices and technology for oil exploration.

Some experts worry the shift is an even greater threat to the future. "It's a shorter response aimed at keeping stockholders happy. Without question this will hurt American competitiveness," warns Albert Link, an economics professor at the University of North Carolina at Greensboro.

Companies counter that as competition intensifies and technology accelerates, they must push harder to get more direct value out of their RESEARCH. "We need to focus on customers' needs," says Daniel Stanzione, who has hammered at that doctrine since becoming president of Bell Labs in March. A former president of AT&T's \$6 billion public network equipment division, he is the first hard-core business manager to run the famed RESEARCH arm. VerDate 20-SEP-95 02:15 Oct 03, 1995 Jkt 010

The National Science Foundation calculates that U.S. companies' spending on basic RESEARCH declined slightly to \$9.7 billion in 1993 and didn't rise last year. In a survey by R&D magazine, half of all companies with "RESEARCH and development" budgets of \$50 million or more plan to cut spending this year, for a 3.5% decline overall. (About 10% of the R&D budget is typically devoted to basic RESEARCH.)

Those figures mask far more significant cuts in some areas. Among U.S. makers of communications gear and electronics, spending on basic RESEARCH dropped 64% between 1988 and 1992 to \$350 million. Even government-funded basic RESEARCH at universities and colleges, which has risen in the last five years, is expected to fall slightly in 1995, according to the National Science Foundation.

International Business Machines Corp. has chopped \$1.7 billion from its annual R&D budget since 1992, a 33% reduction to \$3.38 billion by last year. In the science-oriented RESEARCH division, annual spending has fallen to \$450 million from \$625 million in 1990. The staff of scientists has been cut nearly 20% to 2,600; the number pursuing basic RESEARCH is down by half to 200.

In the 1980s, IBM labs explored the subatomic mysteries of neutrino particles. In the 1990s, an IBM lab perfected the collapsible "butterfly" keyboard in just a year; it might have taken seven years in the old days. Impressive, but keyboards are hardly the stuff of high science.

Bernard Meyerson, an IBM fellow and senior manager at the IBM lab in Yorktown Heights, N.Y., says that despite the reductions, "core RESEARCH was preserved." But he concedes that cutting back is "a dicey process" because "you won't see the impact of funding cuts until it's too late."

Elsewhere the changes have been subtle but no less significant. Xerox Corp.'s PARC lab, which invented laser printing and on-screen icons, now gets detailed "contracts" from the company's product divisions directing its RESEARCH. At GENERAL Electric Co., the portion of R&D spending devoted to long-term projects is down to 15% from 30% in the 1980s.

Such changes are sweeping Bell Labs, perhaps the most famous lab in the world. AT&T still devotes 10% of its annual \$3 billion R&D budget to basic RESEARCH, but ever bigger chunks will be shifted away from physical science—the lab's traditional strength—to information science, which is closely tied to AT&T's core business. Bell Labs managers used to be promoted solely on the basis of technical achievement. Now they must also display business acumen.

"That wonderful culture at Bell Labs" is disappearing, laments Phillip Griffiths, director of the Institute for Advanced Study in Princeton, N.J., one of the last strongholds of purely theoretical RESEARCH in the U.S.

It is difficult to quantify what may be lost because of such shifts. Fiber optics, for one, might have been delayed for decades if not for fundamental discoveries made at Bell Labs, GE and IBM. In the early 1960s, scientists stumbled on a curious find: Gallium arsenide was a natural laser. When they zapped an electrical current through it, it emitted an intense beam of light, thus making practical the laser that was first demonstrated by Hughes Aircraft in 1960. Scientists realized this "semiconductor injection laser" could be manipulated to transmit vast amounts of data at nearly the speed of light.

As many big U.S. companies are backing away, some foreign concerns are pushing on. Major high-tech companies overseas increased R&D spending 23% from 1988 to 1993, says Schonfeld & Associates of Lincolnshire, Ill.

At NEC Corp.'s RESEARCH Institute in Princeton, N.J., about 30 miles from Bell Labs' campus, scientists delve into condensed matter physics, quantum mechanics and biology. Joseph Giordmaine, a physicist, put in 28 years at Bell Labs but bolted for Japan's NEC in 1988.

Now, as a senior vice president, he presides over some truly far-out projects. In one, a fly, its limbs affixed in wax, is set before a TV screen flashing a series of images. A delicate probe connects a single neuron in the fly's brain to an instrument that measures how fast it registers the TV images.

The RESEARCH may one day yield insights into how to design a super-fast computer. "Basic RESEARCH means you have to be able to take risks and accept failure," says Mr. Giordmaine.

Greg Blonder, who invented the wristphone at Bell Labs, has spent most of his career studying physical sciences and their role in future technologies. In January, he switched to "human-centered engineering," aimed at making AT&T products more "customer friendly."

He admits to nostalgia for bygone days. "There's no thrill equivalent to the feeling when you discover something late at night, and you know that no one else in the universe knows it," he says. "I miss that."

Mr. GLENN, Mr. President, I will not go on to read all of this, but it goes on and gives examples of different companies, but it also indicates how foreign countries, foreign nations are putting more into research. And it indicates that NEC, a Japanese concern, has an institute now, an NEC Corp. research institute, in Princeton, NJ, about 30 miles from where Bell Labs' campus is located, and there the scientists are delving into condensed matter physics, quantum mechanics, and biology. And some of these scientists from some of the other laboratories that used to be our standard bearers in this country are now over there working for a Japanese corporation to continue basic fundamental research.

Well, I will not belabor the point any further except to say that I think it is a tragedy when we cut back in private investment also at the same time we hear proposals to cut back in what we spend on research at the Federal level. We have seen attacks in those areas all the way through the budget process this particular year.

There is another article. I would ask unanimous consent that the article by Brenda Forman called "High-Risk, Basic Research Is Critical" be printed in the RECORD, Mr. President.

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

[From Space News, July 17-23, 1995]

HIGH RISK, BASIC RESEARCH IS CRITICAL

(By Brenda Forman)

If Congress applied the same logic to families as it is applying to federally funded university research, it would decree that nobody have children.

Children and basic research both represent large, up-front investments over a protracted period of time with absolutely no guarantee of any return—although the payoffs, when (and if) they come, can be spectacular. A risky, dubious gamble, right? Obviously one that any savvy investor or deficit-minded congressman set on an early return and a dependable product should avoid at all costs.

But without children, there is no future. And without high-risk, basic research unrelated to specific products or bottom lines, the reservoir of technological advances on which the country's current prosperity and power is based will run dry in an alarmingly short time.

It is both ignorant and self-deluding to think that the United States can get better results from its research investment by insisting that research be focused on specific, practical, immediately identifiable applications. That is simply not how the big breakthroughs happen.

As little as human conceit might wish to admit it, the truly fundamental discoveries seldom occur where we have decided to look. Instead, they have a curious habit of turning up on accidental bypaths when researchers were looking for something else entirely.

A long list of this century's major technological advances have been made this way and Americans are coasting on their momentum to this day—penicillin, X-rays, the enabling advances that made transistors and DNA fingerprinting possible, not to mention the ubiquitous Post-It.

Meanwhile, decades of research and uncounted millions of dollars determinedly focused on a cancer cure have failed utterly.

Reviewing the history of technological prediction should chasten those who would imagine that research can be consciously directed to produce breakthroughs. In retrospect, such predictions can border on the hilarious.

Remember how World War I commanders insisted there could never be a combat role for aircraft? Remember how IMB was once told it could only expect to sell about 30 computers? Remember how Arthur D. Little told the inventor of Xerox there was only a market for about 500 of his machines? Remember how the computer was going to create the paperless office? Then tell me how we expect politicians—or anybody for that matter—to predict where research should best be focused.

The hard truth is that major advances occur when somebody gets both curious and lucky—and also has the resources to pursue their hunch. Congress is now withdrawing that third essential factor. The result will be a classic case of penny wise, pound foolish: in return for a largely trivial budget reduction, the country will forfeit much of its potential future wealth.

Of course, the damage probably will not be all that apparent before the next re-election campaign and so possibly few members of Congress will care. But they should. Such effects are like termites: they undermine a structure for a long time before the house begins to buckle, and by then the damage is irreparable.

It is equally illusory to decree that universities should confine themselves to purely basic research, leaving such things as engineering research to unidentified others. There is no such thing as purely basic research—what is basic in one context can turn into applied in another. Trying to draw such artificial dividing lines between interrelated and intimately interwoven research areas sounds rather like establishing union-style rules and rigid job definitions for scientific research. Industry is increasingly moving to eliminate such obstacles to productivity and flexibility on the factory floor. It seems oddly retrogressive to try to institute them now in the world of research.

It is also purest fantasy—if indeed not just plain cynicism—to expect the private sector to fill the gap left by Congress' gutting of government investment in basic research. No corporation required to fulfill Wall Street's merciless insistence on continuous quarterly growth can afford to invest in such risky, VerDate 20-SEP

speculative, long-term ventures with no immediate, identifiable positive impact on its bottom line.

When you get right down to it, this is the government's job, and Congress is shirking it.

Of course, Americans will probably persist in having children (people are buying junk bonds again, too) but if we pursue our present course in science and basic research, those kids will not live as well and will occupy a weaker and less confident position in the world of the coming century. That looks to me like a remarkably odd example of the current Congress' vaunted family values.

Mr. GLENN. Mr. President, what she points out in this article is much the same as what was pointed out in the Wall Street Journal article. It is a recounting of what is happening in American industry.

And she says in that, and starts off—I was rather taken by the analogy she makes. She says:

If Congress applied the same logic to families as it is applying to the federally funded university research, it would decree that nobody have children.

Who knows what the outcome of a child being born is? You do not really know for sure.

But without children, there is no future. And without high-risk, basic research unrelated to specific products or bottom lines, the reservoir of technological advances on which the current country's prosperity and power is based will run dry in an alarmingly short time . . . As little as human conceit might wish to admit it, the truly fundamental discoveries seldom occur where we decided to look. Instead, they have a curious habit of turning up on accidental bypaths when researchers were looking for something else entirely . . . [Things like] penicillin, X-rays, the enabling advances that made transistors and DNA fingerprinting possible.

Those things occurred when people were looking for something else when they were doing basic research.

Mr. President, at a time when both the private and Federal investment in science, research and development is declining, we truly do have to ask ourselves, Who is going to be responsible to the students graduating in the class of 2015? Quite simply, the international space station is the next logical step along with other efforts in our journey into space and our investment in the future, our investment in research for the future. Along with that, the station is also the largest international scientific cooperative effort ever undertaken.

The space station is being built right now. We have over 25 tons, 50,000 pounds of flight hardware has already been fabricated here in the United States. It is already built. The first launch is on schedule, still on schedule for late 1997, with the station permanently manned in 2002.

I would add that in addition to those 50,000 pounds of American equipment already fabricated, already built, we have over 60,000 pounds by our international partners. So, with the space station weighing over 400,000—just about 400,000 pounds—we have over one-fourth of the station already built,

already prepared, more coming out every day.

Contrary to what was said earlier, the space station will provide a world-class, permanently occupied laboratory in Earth orbit. Research will be conducted on the station in a whole range of scientific disciplines, including biotechnology and biomedicine, material science, combustion science, and other areas.

This will truly be a science and technology institute in space. It is the promise of research on this international space station. The science and technology institute in space will have specialty areas of biotechnology, physiology, material science, combustion science, physics, and biology on the space station. And to carry that out there have been cooperative efforts between NASA and NIH. We have U.S. space station research facilities that will be used by other nations as well as ourselves.

You know, control over gravity is something we have not been able to have throughout the whole history of the world. I remember when I was a boy back in New Concord, OH. It was great to get up in a big oak tree down on a little cliff. I thought it was great. You were sort of almost going out of this world at that point, it seemed to me, you were so high up. Little did I know I would be able to fly later on, get farther off the ground and farther up in space. It has been a whole progression ever since the Wright brothers of how high we can go and use our new capabilities to do basic research.

But now, all at once, control over gravity will allow scientists to explore the natural world in unprecedented ways. All life on Earth, including human life, has evolved under the direct influence of gravity. The space station provides scientists the laboratory they need to explore the role that gravity plays in the cycle of life from conception through old age. On the space station scientists will explore the systems of the body ranging from muscle and bone to the immune system under low-gravity conditions that are unique, not only in the history of biomedical research, but also in the history of all life on Earth.

On Earth, gravity limits our ability to explore and understand the fundamental principles that govern basic physical processes. Even such things as burning of fuel, the solidification of metals, the growth of crystals, space station research promises to expand our understanding and control over these processes that are vital to the economic health of our country. Using just the 7- to 14-day low-gravity opportunities that have been afforded by space shuttle flights, orbital researchers have already begun to deliver a steady stream of scientific and technological insights that are strengthening the U.S. economy and improving the quality of life on Earth for generations yet to come.

The space station will allow researchers from the universities, industry, and Government to expand the promising research begun on the space shuttle by conducting high-quality science and technology experiments year round.

Space station will support global environmental observation, high-energy astrophysics research. The international space station represents only one-seventh of 1 percent of the Federal budget, about 15 percent of the NASA budget, but one-seventh of 1 percent of our national budget. I think that is a good investment.

Now, a little more detail. I mentioned biotechnology. By studying protein crystals and protein crystal growth, orbital research enhances our ability to accurately describe proteins and enzymes and viruses at the molecular level. This ability, coupled with research on these fundamental building blocks of life, will enable scientists to develop new drugs and vaccines more quickly and effectively.

Space station researchers will study the processes that control the growth of human tissues outside the body called tissue culture. Future research may lead to an improved understanding of normal and abnormal tissue, cancerous tissue, with important implications for the development of new drug therapies and applications for transplant research in the physiology.

Space research provides unique insights into how the heart and lungs function, the growth and maintenance of muscles and bone, perception, cognition, and balance in the neurosciences, and the regulation of the body's many systems in regulatory physiology.

In combustion science, scientists use low gravity to simplify the study of complex combustion processes. Because combustion is used to produce 85 percent of Earth's energy, even small improvements in efficiency will have large environmental and economic benefits.

In material science, researchers use low gravity to advance our understanding of the relationships among the structure, the processing, and properties of materials. Findings in material science have very broad applicability to industrial processes, including the production of semiconductors, glass, metals, alloys, polymers, and ceramics.

Fluid physics: Researchers use low gravity to study the properties and behavior of fluids, liquids, gases and mixtures.

Fundamental knowledge of fluid behavior is essential to industrial activities, ranging from energy production to materials engineering.

Microgravity physics: Scientists use low gravity to test fundamental theories of physics with degrees of accuracy that far exceed the capacity of Earth-bound science.

Physics in low gravity expands our understanding of changes in the stateVerDate 20-SEP-

of matter, including those changes responsible for high-temperature superconductivity. If we make major breakthroughs in that area alone, it will likely be worth the expenditure on the space station in my opinion.

Gravitational biology: Scientists study gravity's influence on the development, growth and internal processes of plants and animals. Their results expand fundamental knowledge that would benefit medical, agricultural, and other industries.

I mentioned first in that list of things we are looking at biotechnology. Let me give more detail on that.

Protein crystal growth data from space that can revolutionize pharmaceuticals in the 21st century. Rapid advances in biotechnology, combined with enhanced data from protein structures, promise to revolutionize the pharmaceutical industry.

Researchers seek to design the structure of proteins and ultimately to design drugs that interact with them. Penicillin is a well-known example of a drug that works by blocking a protein's function. In order to define protein structure with precision, researchers analyze protein crystals. Unfortunately, many Earth-grown crystals have flaws that limit their usefulness as data sources, or they are just plain too small to provide adequate data.

Orbital experiments provide researchers with superior protein crystals for analysis and also help scientists understand the fundamental concepts about the crystallization process. These are things that they cannot do the same on Earth. This information can be used to improve crystallization techniques on Earth, in fact.

Researchers will soon use enhanced data on protein structure derived from space station research to design a new generation of drugs to target a long list of specific diseases. These drugs promise to revolutionize health care, and orbital research will feed this revolution with the protein structure data that it needs.

NASA researchers have already used space shuttle missions to produce protein crystals for a variety of clinical conditions, including cancer, diabetes, emphysema, and immune system disorders. These space-grown crystals were far superior to any crystals grown on Earth for revealing the structures of protein and supporting the development of drugs.

Examples: Recombinant DNA human insulin. The Hauptman Institute in Buffalo, in collaboration with Eli Lilly & Co., has obtained an improved description of human drug concept based on space-grown crystals. To those who say nothing has come out of the program, that is just not true. They are currently working on a design of a nontoxic drug that will bind insulin, thereby improving the treatment of diabetic patients.

Porcin elastase. Elastase is a protein which is involved in emphysema. The

refined structure of this protein was obtained using space-grown crystals. Vertex Pharmaceuticals is designing drugs based on this data to improve treatment for emphysema.

HIV, the virus that causes AIDS. NASA is supporting the microgravity crystallization of HIV reverse transcriptase, a critical enzyme for viral replication, and it is believed that this research will better define the enzyme structure so that effective pharmaceuticals can be developed to inhibit the HIV virus.

The structural biology research group at Marshall Space Flight Center, NASA's center of excellence in biotechnology, was the first to publish the structure of a major human antibody that recognizes the AIDS virus.

Human serum albumin, HSA, is a primary binding protein in the blood and is responsible for distributing drugs throughout the body. Eli Lilly & Co., again, is using this structural information from space-grown crystals to design drugs that exhibit improved interactions with HSA, the human serum albumin. The potential impact of this HSA structure on drug design and delivery is enormous.

Protein crystal growth promises a pharmaceutical revolution. Biotechnology is broadly defined as a set of techniques for rearranging and manufacturing biological molecules, tissues and living organisms.

This field is one of the most dynamic segments of our high-technology economy. Armed with the advanced techniques of biotechnology and detailed data on the structure of key proteins, researchers are already creating new generations of drugs. Researchers use data on the structure of proteins to design drugs at the molecular level that will interact with specific proteins and treat specific diseases.

This approach promises to produce superior drugs for a wide range of conditions and may replace the trial-and-error approach to drug development that has been the rule for centuries.

The international space station will become one of the world's premier sources for critical data on protein structures needed for this new method of drug development. In addition, the space station will be used to study and understand the physics involved in protein crystals in order to overcome the difficulties which currently limit much of this research on Earth.

Let me list the companies that are involved with this. These are companies that not only interested, they are cooperating, they are putting their own money into this kind of research: Schering-Plough of New Jersey; Eli Lilly in New Jersey; Upjohn in Michigan; Bristol-Myers Squibb in New Jersey; SmithKline Beecham in Pennsylvania; BioCryst in Alabama; Du Pont Merck in Delaware; Eastman Kodak in New York; and Vertex in Massachusetts are working with NASA's center for macromolecular crystallography to produce high-quality

protein crystals for new drug development.

Researchers have already used space shuttle missions to produce superior protein crystals for research on clinical conditions including cancer, diabetes, emphysema and immune system disorders.

Can I claim we have the answers in all those matters at this point? No, I cannot, but I certainly can claim that we are on the way with a whole new approach in research because of the protein crystal growth that has already occurred.

In collaboration with Eli Lilly & Co., the Hauptman Institute of Buffalo, NY, is using data from space on human insulin to design a drug that will bind insulin, thereby improving the treatment of diabetic patients. NASA is supporting space research on an enzyme that the HIV, the virus that causes AIDS, needs to reproduce. This research seeks to better design the enzyme structure so that effective pharmaceuticals can be developed to inhibit the HIV virus.

The pictures of some of the protein crystals that have been grown in space show that they come out several times larger than they do in similar growth attempted on Earth. It means they are easier to deal with, easier to define, easier to work with for the researchers on Earth.

Another area in which work is going on: I was at Houston not long ago, just before the flight of STS-70, the so-called "Ohio flight," where four out of the five members of the flight crew were from Ohio. One of the pieces of research equipment they were taking up was called a bioreactor. Let me talk about that for just a moment.

Growing tissue samples, tissue culturing is one of the fundamental goals of biomedical research. Scientists use laboratory containers called bioreactors to grow or culture samples of body tissues. Scientists could use cancer tumors and other tissues that are successfully grown outside the body to test and study treatments, like chemotherapy, without risking harm to patients.

These tissues from bioreactors will also offer important medical insights into how tissues grow and develop in the body. NASA engineers have already created breakthrough technologies for cell culture research on the ground and major breakthroughs can be expected once time on the space station becomes more available, and they have already done some of the first work on flights.

NASA-developed bioreactors have already produced the first 80-day lung culture, the first normal human intestine culture, and major breakthroughs in the quality of cancer tumor cultures. Those superior tissues may be grown in Earthbound bioreactors when compared with traditional cell culturing techniques. There are still limits on Earth to the size and quality of the tissue. What the scientists are doing on the space program, they believe that far superior tissues can be grown in the

extended microgravity afforded on the space station, and preliminary tests on the space shuttle support this idea. They show that the theories appear to be correct.

In the long term, tissues cultured outside the body then may be used directly for replacing damaged tissues or treating diseases or eventually replacing organs.

Some of the highlights of recent research: Dr. Jeanne Becker of the University of South Florida has applied NASA technology to create a breakthrough in culturing ovarian cancer tumors for cancer research. Dr. Josh Zimmerberg of the NIH National Institute for Child Health and Development is using NASA developed bioreactors in NASA-funded resident technical staff to pursue the AIDS research goals under a 1994-98 NASA NIH joint venture.

Dr. Lisa Freed of the Massachusetts Institute of Technology is using a NASA bioreactor to grow cartilage cells on biodegradable scaffolds. Her work shows a clear prospect for using the space station to produce models and transplantable cartilage tissues that could revolutionize treatment for joint diseases and injuries.

I mentioned the flight of STS-70. I was there with the crew when they were building up for this flight in July of this year. In July of this year, a NASA bioreactor flew to orbit aboard the space shuttle *Discovery*. The primary purpose of this experiment was to test the performance of the bioreactor, which worked successfully. Poorly differentiated human colon carcinoma cells were grown in a bioreactor aboard *Discovery*. Their growth was compared with that of similar cells in a bioreactor in normal gravity, as well as in conventional, two-dimensional tissue cultures. The space-grown clusters of cells were approximately twice as large as the ground-based samples. But the significance of this must be determined by much study on the ground and many more data points from the space experiments. Ground-based analysis by Dr. J. Milburn Jessup of the Harvard Medical School will address the histology of the specimens and the production of specific protein such as CEA.

NASA and NIH have signed agreements on biomedical research. NASA and NIH have recently signed an agreement that will combine the unique talents and experience of both agencies in biomedical research and exploit NASA's bioreactor technology to produce three-dimensional tissue cultures for laboratory research. This agreement will increase the capabilities of biomedical researchers throughout NASA by transferring NASA technology to NIH and establishing a center within the National Institute of Child Health and Human Development.

The new center will teach this new technology to hundreds of neighboring NIH intramural laboratories that currently employ other tissue culture

techniques as part of their ongoing research.

The initial goal of the agreement is to engineer a human lymph node model for AIDS research and then to extend the use of this technology to a broad spectrum of tissues available at NIH. This collaborative effort will enable researchers to culture tissues previously deemed too complex for current tissue culturing technology.

To accelerate the development of this critical tissue culturing, technology research grants were recently awarded under the NASA research announcement. Included in the selections are support for two research centers located at the Massachusetts Institute of Technology at Cambridge, and the Wooster Institute in Philadelphia, that will transfer the NASA bioreactor technology for culturing three-dimensional tissues to university researchers. These centers expand the pace of technology transfer in the biotechnology areas begun when NASA and NIH established a joint cooperative program within the NIH Institute for Child, Health and Human Development to exploit the NASA-developed bioreactor technology.

Dr. Jeanne Becker has pointed out that it has a potential particular benefit for cell culture research and breast cancer research. Techniques developed for use in space have advanced the state of the art for growing ovarian and breast cancer samples in the laboratory, leading to progress in women's health. Why is it important to focus on ovarian and breast cancer? Well, as a result of better forms of treatment and improved means of early diagnose, overall survival rates from cancer have doubled since the early 1900's. However, breast cancer and ovarian cancer continue to be responsible for over one-third of all cancer in women.

Recent statistics indicate that one in nine women will be diagnosed with breast cancer during her lifetime. Although screening mammography has contributed significantly to the early detection of breast cancer, survival rates for this disease have remained relatively unchanged for over a decade. Equally discouraging is the fact that current survival for ovarian cancer is nearly the same as it was over 30 years ago, with a 5-year survival rate of 39 percent. These statistics underscore the need for more research in these areas and the use of improved technologies to better study these diseases which destroy the lives of so many women.

For more than three decades, humankind has benefited from new technologies derived from NASA-sponsored research, including studies focused on several areas pertinent to women's health. Now, through a joint collaboration between NASA and the University of South Florida, research focused on the development of three-dimensional tissue models of breast and ovarian cancer is being undertaken to gain a

better understanding of breast and ovarian cancer.

Using a specialized tissue culture chamber designed by NASA, the bioreactor, scientists are able to generate three-dimensional cellular growth that forms tissue-like structures that are similar to tissues found in the human body. Using conventional culture techniques, breast and ovarian cancer cells do not grow to form a tumor. In the NASA bioreactor, cancer cells have grown into masses that resemble the original tumor.

So when opponents of the space station say what good has come out of it, I would suggest that new leads into ovarian and breast cancer may be worth the price that we pay. For the first time, these cancer cells have grown into masses that resemble the original tumor, and in their same three-dimensional orientation.

Through the benefits of NASA-developed technology, medical science now has a means to culture cancer tissue samples in the laboratory so that they closely resemble structures found in the human body. The ability to grow these particular types of tumors is a real advantage because they are extremely difficult to culture outside the body. In particular, cancer researchers continually strive toward the development of improved tissue models of human disease, and the ability to produce reliable tissue models of breast and ovarian cancer is critical for furthering our understanding of the factors important in the growth and spread of these devastating diseases.

The breast and ovarian cancer tissue samples cultured in NASA'S bioreactor will be evaluated for usefulness in testing sensitivity, chemotherapeutic, and biological agents, including hormonal therapy, particularly important as a treatment for breast and ovarian cancer.

Because tumor cells can be grown in much the way they are arranged in the body, then a more authentic tumor specimen can be obtained to test the responsiveness of these cells to new types of agents.

Finally, the models will be instrumental in studying alterations in cancer-associated genes that occurred during tumor progression. Breast and ovarian cancer studies being undertaken at the University of South Florida demonstrate the type of biomedical research that is a direct offshoot of NASA's bioreactor technology. National tissue research has given the medical community a powerful new tool to study how these cancerous tissues form.

Mr. President, in particular, another example of this is cartilage development in NASA bioreactor. Cartilage is the material that makes up the joints in the skeleton. The bioreactor reproducibly enables the growth of cartilage from a small type of cell, and this level of maturity is rarely achieved by any other culture method.

Mature cartilage is shown as the red-stained material here. Research conducted with Dr. Lisa Freed at MIT addresses the use of reactor technology and microgravity to engineer cartilage for replacement and transplantation.

In simpler terms cartilage grown in the bioreactor—in the middle picture here—resembles normal cartilage—in the top picture—much more closely than cartilage grown by standard methods in the bottom picture.

The same with colon cancer. Colon cancer manifests with polyp-like structures in the colon. The tumor-like structures are produced in the bioreactor by culturing normal fibroblast cells with colon cancer cells.

Standard culture techniques do not provide 3-D models of cancer. It makes it very difficult. The bioreactor not only grows 3-D tumors, but induces specialized structures called glands, akin to that in native tissue.

Dr. J.M. Jessup at Harvard University is molding human colon cancers for research, and therapeutic testing is facilitated by culturing the cancer cells in the NASA bioreactor. The explanation is that the ordinary culture on the far left is not developing a recognizable tumor-like structure. The two pictures on the right show the colon cancer cells in the NASA bioreactor do develop into tumor-like structures.

Physiology on the space station: A new window on the human body. Virtually every system in the body—from bones and muscles to the immune system—is tied to and affected by the force of gravity. When human and animal research subjects travel to the low-gravity environment of Earth orbit, each system is affected and can be studied under conditions that are unique not only in the history of biomedical research but also in the history of life on Earth.

The unique value of orbital research in physiology and biotechnology has led to a vigorous program of cooperation between NASA and the National Institutes of Health that includes 18 cooperative agreements and a series of flight experiments.

Focus: Brain and nervous system research. Because of the profound effects that the lack of gravity has on the sense of balance and orientation, basic neurosensory research conducted in space offers a unique opportunity for insights into the ways in which the brain and body interact. This research has great potential for helping researchers understand the basis of learning and memory.

Highlights of recent research: Space shuttle research on the body's balance system has resulted in new discoveries of sensory pathways and the nervous system's capacity to adapt. This fundamental advance in our understanding of the brain may aid in the development of improved treatments for nervous system disorders.

NASA research has produced computer techniques for creating three-di-

mensional maps of neurons within gravity-sensing tissues. This work has enormous potential both for advancing neuroscience and for enhancing rapid access to many other kinds of medical imaging data. Detailed information on the way neurons are organized in the nervous system (neural nets) may someday support the development of new computer architectures.

Focus: Musculoskeletal research. Osteoporosis affects some 25 million Americans, and it is estimated that this disease leads to 1.3 million bone fractures annually. Unless new preventive measures and treatments are found, associated costs are expected to rise to \$30-\$60 billion per year by the year 2020.

Exposure to low gravity causes otherwise healthy young astronauts to experience rapid loss of bone mass—bone demineralization—comparable to osteoporosis but progressing at a much faster rate. By studying bone and muscle mass reduction in astronauts, space station research may contribute to our understanding of the causes of osteoporosis and help researchers develop preventative or rehabilitative regimens for bedridden or elderly patients.

Highlights of recent research: In cooperation with investigators at Genentech, Inc., NASA researchers have demonstrated that muscle atrophy can be prevented using a combination of exercise and growth hormone. This approach opens new therapeutic avenues for rehabilitation, as well as for preventing some of the changes that accompany aging.

Orbital research has demonstrated that changes in hormones do not completely explain the rapid loss of bone calcium that accompanies spaceflight. These findings may lead to new developments in diagnosing and treating skeletal disorders such as osteoporosis.

NASA researchers have developed a new theory of remodeling in bone. In addition to stimulating new avenues of basic research, this new model has been applied by others to evaluate artificial joints, to study the influence of exercise on bone density, and to study age-associated bone loss.

NASA and the National Institute of Arthritis and Musculoskeletal and Skin Diseases [NIAMS] are cooperating to take full advantage of low gravity as a research tool. The NIAMS Osteoporosis Centers are expanding their participation in research related to spaceflight, and proceedings of a joint workshop were recently published in the *Federation of American Societies of Experimental Biology Journal*.

The bone loss observed in space crews bears strong similarities to osteoporosis associated with aging. Astronauts lose the same percentage of their bone mass over a period of 8 months in space as the average human loses between the ages of 50 and 60. Spaceflight offers an opportunity to study the process of bone loss (bone demineralization) at an accelerated rate and to evaluate strategies for

treatment and prevention of osteoporosis in months instead of years.

Materials science on the space station: The scientific foundation for 21st century high-tech materials. The goal of materials science research is to study how materials form and how the forming process controls a material's properties. By carefully studying and controlling the processes by which materials are formed, materials scientists can design new alloys, ceramics, glasses, and polymers to improve the performance of products ranging from contact lenses to car engines.

The production process for most materials includes steps that are very heavily influenced by the force of gravity. The chance to observe these processes in low gravity promises to increase our fundamental understanding of production processes and of the materials produced. Scientists will use these insights from space research to improve the properties of materials ranging from glass and steel to semiconductors and plastics.

Highlights of recent research: The experiments of Dr. Martin Glicksman of the Rensselaer Polytechnic Institute flown aboard the space shuttle have produced groundbreaking new insights into how the structure of metal forms. Results of his experiment will aid in the development of stronger or more corrosion-resistant metal alloys.

Based on his orbital research, Dr. Julian Szekeley of the Massachusetts Institute of Technology developed new mathematical techniques to model the behavior of molten metals. These techniques have been used by the metals and semiconductor industries to design assignment and to improve predictions of the behavior of metals during processing.

Space shuttle experiments have demonstrated that when gravity's effects are substantially reduced, other forces (such as surface tension) can predominate. These experiments have shown that secondary forces are more significant than previously thought, affecting many ground-based materials production techniques in unexpected ways. Results of this research open the door for further study and improved processes and materials for the future.

Combustion science on the space station: Fundamental research on the world's predominant source of energy. Combustion (burning) has been a subject of vigorous scientific research for over a century. By conducting research on the space station, scientists can study subtle aspects of combustion normally masked by fluid flows caused by Earth's gravity.

Combustion accounts for approximately 85 percent of the world's energy production—as well as a significant fraction of the world's atmospheric pollution. Breakthroughs in combustion science will have far-reaching effects for the economy and the environment. For example, a 2-percent increase in

burner efficiency would save the United States \$8 billion per year.

Low-gravity research may also produce breakthroughs in combustion synthesis, the process by which valuable materials are created as the products of fire. Examples include carbon fibers for high-strength, lightweight composite materials and fullerenes, a novel form of carbon.

Highlights of recent research: Combustion science researchers using NASA Lewis Research Center facilities have applied for a patent on a device that improves air quality by stabilizing fuel-lean flames and reducing NO_x (oxides of nitrogen), a major source of air pollution.

At the recent 25th International Symposium on Combustion, the most important meeting of combustion scientists in the world, nearly 10 percent of the papers presented involved low-gravity combustion research.

NASA investigators have used the space shuttle to obtain and analyze the first data on Burke-Schumann gas jet diffusion flames (a classical flame configuration treated in virtually all combustion textbooks). These data represent the first true verification of this theory available since its original development in 1928.

The spherical shape of candle flames in low-gravity illustrates the new perspective scientists will use to pursue research into subtle aspects of combustion impossible to study accurately on Earth.

By studying combustion on the space station, scientists can observe certain aspects of burning that are hidden by the effects of gravity on Earth and thus advance our fundamental understanding of this vitally important field. Combustion research could lead to enhanced energy efficiency, reduced pollution, and improved processes for producing high-technology materials such as carbon fibers.

Physics and biology on the space station: Fundamental research laying the foundation for future applications.

Fluid physics and transport phenomena: One of the most significant forces affecting fluids—liquids, gases and mixtures—on Earth is gravity. In orbiting spacecraft, where gravity's effects are reduced many times, scientists can observe aspects of fluid behavior that are difficult or impossible to see in normal gravity.

A deeper understanding of fluid behavior has broad applicability. Fluid flows play important roles in the production processes of our most important industries. For example, the performance of a powerplant depends on the flow characteristics of vapor-liquid mixtures, and oil recovery from partially depleted reservoirs depends on how liquids flow through porous rocks.

Low-gravity research has already played a central role in stimulating new understanding of the ways in which heat and materials are transported in semiconductor crystal growth, metals processing, separation

of biological molecules, and protein crystal growth.

Microgravity physics: Research called microgravity physics uses the unique properties of space to test physics theories at levels of accuracy that are impossible on Earth. This fundamental research will advance our understanding of theories relevant to everything from high-temperature superconductivity to weather prediction. This research has the potential for redefining our most basic assumptions about the universe.

In 1992, an orbital research experiment produced observations that tested renormalization group theory with a degree of precision five times greater than any experiment conducted on Earth. Renormalization group theory is a Nobel Prize-winning physics theory with broad applicability to particle physics and high-temperature superconductivity.

Gravitational biology: The low-gravity conditions of spaceflight provide biologists with a unique research opportunity to answer fundamental questions about the basic functions of living organisms. Gravitational biologists study gravity's influence on the development, growth, and internal machinery of life, including individual cells as well as complete plants and animals. Expanding fundamental biological knowledge will provide broad long-term benefits in medicine, agriculture, and industry.

Under normal Earth gravity, the gas occupies the top of the pipe because it is lighter—less dense—than the liquid. When gravity is reduced, the gas forms a core down the middle of the pipe. Under low-gravity conditions, weight and density become less important and scientists can study other forces that dictate the behavior of the liquid-gas mixture.

Gravity exerts a strong influence on the properties and behavior of fluids—liquids and gases. Aboard the space station, researchers will study aspects of fluid behavior that are hidden by gravity on Earth. Increased knowledge of fluid physics is broadly applicable to a variety of industrial processes.

Technology development on the space station: Paving the way for humanity's future in space—and on Earth. The international space station will both foster the development of advanced commercial technologies and provide a test bed for engineering research on orbit.

Electric power: Power generation and storage systems research will produce long-term data on advanced materials, components, and electrical power systems, including flexible thin-film solar arrays and advanced power converters that will improve electrical systems on Earth.

Robotics and remote operations: Space station research will produce advanced, reliable robotic systems and systems for remote operations. These systems have enormous potential for improving productivity and safety in industry and agriculture.

Advanced life support technology: Space station research will develop advanced life-support technologies that combine physical, chemical, and biological processes to create highly efficient recycling systems. These technologies will have numerous applications to improving the quality of life on Earth, including: advanced waste processing and recycling techniques to reduce pollution; crop growth research capable of improving the efficiency of Earth-based hydroponics and other controlled crop production systems; vastly improved air and water quality sensors and analyzers and air revitalization systems; and automatic systems for identifying microbes to provide diagnostic support to detect a broad range of infectious diseases.

Telemedicine: Telemedicine is the ability to practice medicine through the exchange of data and images between geographically remote locations using telecommunications technologies. NASA is a pioneer in telemedicine techniques for maintaining the health of astronauts on orbit and will continue to develop telemedicine systems through space station development. Telemedicine has the potential to reduce health care costs while improving the quality of care, especially for underserved populations—such as rural America or inner-city areas—and the victims of disaster.

NASA-NIH cooperation: Conducting the world's best biomedical research.

As the world's premier organization in life and biomedical sciences, the National Institutes of Health [NIH] had access to the world's best biomedical scientists, who need a variety of laboratory resources. NASA's biomedical research program maintains and develops a rich supply of unique and specialized resources, including laboratories and access to the weightless environment of space. Thus, cooperation between the two agencies strengthens the performance of each and helps ensure the highest possible return on America's investment in biomedical research.

Cooperation between NASA and NIH has expanded rapidly as the research community's understanding of the value of orbital research has grown. This cooperation expands access to NASA facilities and resources to a broader community of the world's finest research scientists. Cooperation between these two premier Federal science agencies leverages NASA's unique facilities, including orbital facilities, to produce the maximum return on America's investment in biomedical research.

NASA and NIH have executed 18 cooperative agreements to date, and joint activities have included scientific workshops; ground-based and flight research; and other specialized activities, such as a "Spaceline" reference system developed with the National Library of Medicine.

NeuroLab, NASA's next dedicated life sciences space shuttle mission, will

carry investigations funded by five different institutes of NIH. NIH's Division of Research Grants will manage the scientific peer review for all Neurolab proposals. Neurolab will be launched on the space shuttle in March 1998.

NASA looks forward to an expanding level of cooperation with NIH as orbital research enters the space station era. NIH researchers are expected to use the space station's next generation life sciences facilities—including the Human Research Facility, the Gravitational Biology Facility, and the Centrifuge Facility—in pursuit of national biomedical research goals.

Mr. President, I ask unanimous consent to have a table printed in the RECORD.

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

NASA-NIH COOPERATION: COOPERATIVE AGREEMENTS

Field of cooperation	NIH partner	Date of agreement
Biomedical/Behavioral Studies	NIH	July 1992.
Animal Science Research	NCRR	July 1992.
Research Into Processes of Aging and Spaceflight.	NIH	Sept. 1992.
Neurologic Functions	NINDS	Oct. 1992.
Vestibular Research	NIDCD	Oct. 1992.
Medical Diagnostic Imaging	NCI	Dec. 1992.
Musculoskeletal Research	NIAMs	Dec. 1992.
Neurolab Review	NIH-DRG	Feb. 1993.
Cardiovascular, Pulmonary Hematologic Studies.	NHLBI	Sept. 1993.
Human Brain Project	NIMH	Sept. 1993.
Developmental Biology	NICHHD	Jan. 1994.
SpaceLine Bibliographic Database	NLM	Feb. 1994.
Human Brain Project	NIMH	Mar. 1994.
Cancer Research	NCI	July 1994.
Human Brain Project	NIMH	July 1994.
Biomedical Research	NCRR	Aug. 1994.
Biotechnology	NICHHD	Aug. 1994.
Human and Animal Research Education and Technology Development.	NCRR	Sept. 1994.

DRG: Division of Research Grants.
 NCI: National Cancer Institute.
 NCRR: National Center for Research Resources.
 NHLBI: National Heart, Lung, and Blood Institute.
 NIA: National Institute on Aging.
 NIAMS: National Institute of Arthritis and Musculoskeletal and Skin Diseases.
 NIDCD: National Institute on Deafness and Other Communication Disorders.
 NIH: National Institutes of Health.
 NIMH: National Institute on Mental Health.
 NINDS: National Institute on Neurological Disorders and Stroke.
 NICHHD: National Institute on Child Health and Human Development.
 NLM: National Library of Medicine.

Mr. GLENN. U.S. research facilities on the international space station—the United States and our international space station partners will equip the space station with state-of-the-art laboratory facilities. The space station will allow for continuous operation of multiple experiments. It will have highly advanced data down-link and up-link capabilities that will permit researchers to monitor and operate many aspects of space station experiments from terminals in laboratories on the ground.

With the exception of the centrifuge, all laboratory facilities will be designed to fit into standard payload racks. This modular approach will allow facilities to be upgraded and modified as needed and will allow facilities developed by one partner to fit into rack space supplied by another. The United States is developing six major facilities.

THE SIX MAJOR U.S. FACILITIES

Biotechnology facility: will fill one experiment rack and support investiga-

tions in protein crystal growth and cell culture research.

Fluids and combustion facility: consists of multiple modules: Combustion module: includes a combustion chamber to support hardware designed for specific investigations and several viewing ports for a variety of imaging systems to record flame characteristics.

Fluids module: includes several experiment-specific test chambers supplied with equipment such as laser optics, heaters, and etc.

Space station furnace facility: multiple module facility for materials science research comprising controls, diagnostics, and experiment hardware designed for specific research areas.

Gravitational biology facility: two-rack facility composed of modular specimen habitats for plants and animals, support systems, and equipment needed to conduct research in cell, and development biology.

Centrifuge facility: includes centrifuge rotor, gloveboxes, Habitat Holding Units (two racks—for plants and/or rodents), and a service rack; the centrifuge rotor will employ force from zero to twice the force of gravity on Earth to support research in all life science disciplines.

Human research facility: four-rack facility with equipment to assess crew health, conduct research on how the human body responds and adapts to weightlessness, develop countermeasures, and conduct basic human research aimed at advancing knowledge in areas relevant to human health. This facility supports the following disciplines: cardiopulmonary physiology, neuroscience, musculoskeletal research, regulatory physiology, environmental health, and human factors.

Facts on Life and Microgravity Researchers—Statistics. There were 654 total lead investigators in 1994. Investigators represent over 85 institutions of higher learning and 35 laboratories and other institutions in 40 States and the District of Columbia. More than 780 graduate students were supported through NASA research (1994). There were more than 820 journal articles (1994). There were more than 1,400 new research proposals in 1993 and 1994.

Background—Life and microgravity science research is solicited through an open, highly competitive, peer-review process to ensure that the most meritorious science gains access to orbit.

Historically, NASA's resources have allowed the agency to accept only about the top fifth of proposals it receives for life and microgravity research. This level of selectivity is comparable to that of other major U.S. science funders, such as the National Institutes of Health and the National Science Foundation. Only 10–20 percent of these accepted proposals lead to flight experiments, so selection for flight is even more competitive.

Because of the great demand for limited orbital research opportunities, NASA selects research for flight oppor-

tunities only if it cannot be conducted on Earth. Flight research is selected from and supported by a larger research effort on the ground.

NASA is fully committed to its close working relationship with the scientific community and to full access to NASA facilities for the most meritorious scientific research. NASA works with the scientific community through its advisory committees and subcommittees, the National Research Council, and working groups of distinguished scientists.

Mr. President, that is only some of the advantages. I just hit the highlights of some of these things today.

The experiments that can be run in the space station are a whole new window on the human body.

New work on the human body in some of the space research and the physiology of it applies to the body's balance system. New discoveries of the sensory pathways; nervous system capacity to adapt would have direct relationships here on Earth.

We have new windows on the human body muscular skeletal research. Osteoporosis affects 25 million Americans, and the disease leads to 1.3 million bone fractures annually. There is no place better to look into this type of thing because on the space station the astronauts' bodies immediately start adapting and throwing off calcium in the bones, which is basically what happens in osteoporosis.

In cooperation with investigators at Genentech, NASA research demonstrated new investigative techniques along that line as well as working with the National Institute of Arthritis and the musculoskeletal and skin diseases groups. All of these are things coming out of the space shuttle today and can be done better on the long-term space station.

I have page after page of different experiments being done by Rensselaer Polytechnic Institute, MIT, and others in particular fields. I will not delay these into the evening here.

Another area being looked into that has an area of great interest is fundamental research on the world's predominant source of energy, combustion science. Combustion science is a very special one, and, for example, just a 2 percent increase in burner efficiency would save the United States some \$8 billion a year. Very basic research has already taken place on some of the shuttle flights, and we would be able to do a lot more lengthy research on the space station.

I wanted to close with a remark about the future for the young people of our country. Traveling around this country as I do, I believe that there is no program that has given more to the young people of our country in the way of excitement about the future and encouragement to stay in math and science technology courses than have our activities in space. Space represents an exciting future for our young people. VerDate 20-SEP-95 02:15 Oct 03, 1995 Jkt 010119

Mr. President, a number of these things were said awhile ago here on the floor about what some of the researchers and scientists are saying about the international space station. I ask unanimous consent to have printed in the RECORD a listing of what other scientists and researchers are saying in support of the station. People are supporting some of these activities and are very major supporters of the space station. It is a long list of people and scientific groups that do support the space station.

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

WHAT THE NATION'S LEADING RESEARCHERS AND SCIENTISTS ARE SAYING ABOUT THE INTERNATIONAL SPACE STATION

Several years ago, Carl Sagan, Bruce Murray and I (the officers of The Planetary Society) . . . opposed the then-space station plan as serving no national purpose. . . . The present plan is serving national and international interests. For Congress to cancel the space station now . . . would end the rationale for America's manned space program, and with it would die the spirit of a great nation bold enough to seek great achievements.—Carl Sagan and Louis Friedman, The Planetary Society.

The program of protein crystal growth experiments sponsored by NASA has been one of the real success stories in microgravity sciences and applications. Protein crystal growth research has made much progress, but must now move to the next phase . . . which requires prolonged access to a microgravity environment with potential for human intervention on a continuing basis. This new phase will require an orbiting platform such as that provided by the International Space Station.—Howard M. Einspahr, Bristol-Myers-Squibb Pharmaceutical Research Institute.

The AMA supports the continuation of the NASA and other programs for conducting medical research and other research with potential health care benefits on manned space flights, including the continued development and subsequent operation of the international space station.—Policy Adopted by the American Medical Association.

Through the NASA-NIH linkage, the Space Station has become a vitally important and unique laboratory for biomedical research. In addition to its central role in aerospace engineering and space exploration, the Space Station is an investment in the future of biomedical research.—John W. Rowe, M.D., Mount Sinai Medical Center.

A commitment to conduct continuous research for longer periods of time in space is also essential. Ultimately, our hope is to be able to crystallize proteins in microgravity, conduct all x-ray data collection experiments in Space and transmit the data to earth for processing. This can only be done in a Space Station.—T.L. Nagabhushan, Ph.D., Schering-Plough Research Institute.

AMWA supports the continuation of funding for NASA's International Space Station because it provides one of the most promising new vistas for medical research on diseases that strike women and have unknown causes or cures.—Dianna L. Dell, M.D., American Medical Women's Association.

Space laboratories allow scientific experiments that simply cannot be duplicated on Earth. The space station offers the potential of long term studies that are especially exciting to the biomedical researchers seeking to understand how cells grow, divide, and mutate to cause diseases such as cancer and

immune deficiencies.—William T. Butler, M.D., Baylor College of Medicine.

My institute has worked closely with the Center for Macromolecular Crystallography at the University of Alabama at Birmingham to perform two space shuttle crystal growth experiments on the protein recombinant human insulin. It is clear that the additional capabilities that the Space Station will offer, * * * this type of research will progress at a much more rapid rate. It is also evident to me that the Space Station will offer similar advantages for the many other areas of science that have been proposed for this unique facility.—Herbert A. Hauptman, Ph.D., Nobel Laureate, Pres., Hauptman-Woodward Medical Research Institute.

NASA's "cool suit" literally has changed the lives of some of those suffering from MS. The MSAA is hopeful, as new findings continue to emerge from space-based research and the possibilities that the International Space Station holds. This research could be essential to MS patients.—John G. Hodson, Sr., Multiple Sclerosis Association of America.

Mr. GLENN. As I said, my good friend from Arkansas—Senator BUMPERS and I are good friends. We disagree annually on this particular subject.

Every year we see new and wonderful benefits derived from NASA research. The space station for the first time in the history of all mankind opens up our ability to truly make use of microgravity. For all these tens upon tens of thousands of years people have looked up and wondered what was up there and what we could do if we were up there. In our day, in our time, we finally can go up there and use this new research facility for the benefit of people all over this Earth.

That is a very not-so-brief rundown on some of these things. When you get into the outcome of NASA research, I could go on literally for several hours here this evening and just touch the surface on all of this.

Mr. BOND. Mr. President, first, I want to thank my friend from Ohio for his very informed and very compelling arguments. I have had the pleasure of traveling abroad with the Senator from Ohio, as my ranking member has. If there is one area where the exploits and the accomplishments of our colleague from Ohio is well known throughout this world, they know what he has done. They know of his leadership in space.

I think he makes a very, very compelling argument based on his firsthand knowledge and experience, and his commitment is second to none. We thank him for his very compelling arguments in favor of it.

I know the Senator from Texas, who also is an expert and has very strong views on the space station, is waiting to speak. But I do want to ask my colleagues if they could accommodate us by letting the ranking member or me know about any amendments that they have pending. There are so many issues in this bill that people would like to discuss, yet we have a very short timeline on which to work.

I believe the majority leader and the Democratic leader were both very clear. They want to complete action on

three appropriations bills—the prior remaining appropriations bills—prior to the end of the fiscal year. I think that is something that every Member in this body can appreciate. We want at least to complete action in this body before the end of the fiscal year. They have suggested that we should finish this bill by Tuesday. If we are looking at late Tuesday night, I hope it is not sometime early Wednesday morning. But in order to do this, we need to have the amendments, and we hope to be able to accommodate the schedules of all Senators giving them some time but keeping it in a regular procedure so that we can complete this in a timely fashion. I hope they will come forward. For tomorrow, particularly people who want to debate for 2 hours, I urge them to make a compelling 5-minute argument and submit the rest of their statements for the RECORD. Because I promise we will read them, particularly if they do not give them.

I yield the floor.

Ms. MIKULSKI. Mr. President, I just want to echo the comments made by the chairman. We really need to know what amendments wish to be offered on the bill. We know of seven. We also need to know who would be available tomorrow morning to offer their amendments to the measure; people who are going to offer the amendments from the Finance Committee and the Labor Committee.

So, please. If you have amendments, let us know. Be prepared to debate them. We are ready to listen, and to move the bill.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I want to say how much I appreciate the distinguished chairman of the subcommittee and the ranking member for understanding the importance and the long-range importance of space research and NASA. They accompanied me to NASA in Houston. And we were able to sit in one of the modules. I am happy to say that we survived the distinguished chairman piloting the space module.

It was a very important trip because we saw what is on the cutting edge of the space station research. We saw how you cannot do certain things with gravity in the research that you can do if you are out in space where you do not have the pull of gravity.

So I appreciate the time and effort that Senator BOND and Senator MIKULSKI have put into understanding NASA, and the importance of this for those of us on Earth who are very committed to keeping the new technologies and the growth that are provided.

This country's venture into space has represented America at its best—forward-looking and inventive, committed to the advancement of mankind and of science, creator of technologies, applying them to products that to make life

better, so much better that our grandparents and our great grandparents could never have really dreamed of; the differences that we have now because of the space research that we have done in the past 10 or 15 years.

The essence of what we are debating today when we take up funding for the space station is whether we will summon the vision to continue this quest in cooperation with other nations, or will we instead clip the wings of civilization and hunker down right here on Earth.

Mr. President, let us come back to Earth for a minute. NASA and the space station have not been exempt from budget cuts. It is not like there is a massive spending program out there that has been unfettered.

The space station has in fact offered up more than its fair share of budget reductions. In 1993, a reduction and redesign in the program resulted in the space station being \$2 billion more cost efficient.

Unlike a number of other Government agencies, budget reduction has been addressed head on by NASA which recently put itself through a vigorous analysis called the zero-based review under which every mission, every element of its operation, was scrutinized for savings and efficiency.

I watched this process very closely and commend Dan Goldin for his bold approach. Every agency, including Congress, should benefit from the same kind of scorched-Earth review of its own operations. NASA was able to achieve a 35-percent budget reduction—saving the taxpayers a total of \$40 billion over the future of NASA, and the space station—and continue with its mission.

Another important item to remember in this debate is that Congress and the administration in their long-term balanced budget plans both include the space station. In fact, the committees in both Houses of Congress have reported measures fully funding the space station for fiscal year 1996.

In light of this, I can only conclude that opponents who are playing the budget card are really just engaging in another attempt to derail the space program—a program that, since the Kennedy administration, has paid back an incalculable return on the American investor.

First among those returns are the advances in medicine that this program has brought right back here to Earth. As its predecessors did, the space station has the potential to provide us with powerful weapons in our ongoing battle against diseases, especially breast cancer and osteoporosis where we can only do the research in the nongravity situation.

A permanently manned space laboratory is critical to providing researchers with more extensive facilities in a controlled, microgravity environment.

Most significantly, extended human space flights will allow scientists to modify their experiments in orbit and

take advantage of the unanticipated results. This is the kind of flexibility that has historically shown that we can get our greatest breakthroughs. The question we are asking today is, Are we going to pursue the knowledge?

The space station will allow us to continue to benefit from the multiple economic benefits space exploration has provided us to date. America and American jobs have grown because of space-based advances in transportation, data processing, communications, and countless other high-technology advances that have made our standard of living the envy of the world.

Laser surgery—if you have had the ability to have laser surgery, you know what a great benefit this has been in our medical development. Operations that used to take weeks to heal now are done in half a day in a doctor's office. That is because laser surgery has provided the opportunity to have safe, efficient surgery that heals almost instantly.

If you have used velcro—velcro closures, that came from space. If you have had the opportunity to have a hearing aid put in your ear, and if you remember what our grandparents used to use for hearing aids, they used to have big batteries in their pockets and wires that ran up to big ear plugs that you could see a mile away, and now you can put that device in your ear. And most people do not even know that you have a hearing aid.

That kind of technology was made possible by space research and our commitment to space research. Not only is it a quality of life issue, but think of all the jobs that have been created making the lasers that do the surgery, making the hearing aids that fit into your ears, the velcro lining, from coats to tennis shoes, to everything else that has made life so much easier. It also has created jobs because people are making those products.

I urge my colleagues to vote with me to keep fueling this kind of research. It benefits everyone on Earth, and it continues to bring those new technologies that create the new industries that keep our economy vibrant, that keep it growing, that allow us to continue to offer the people coming into our system the new jobs.

While the specter of war hovers over Eastern Europe and other parts of the globe, the space station is poised to serve as a catalyst for global cooperation on a scale previously unimagined.

As the largest most ambitious international scientific and technological development project ever undertaken, the space station brings together resources and some of the best scientists from the United States, Russia, Japan, member nations of the European Space Station Agency, Canada, and Italy.

The Russians, who are old hands in space, have a wealth of experience and expertise to bring to the table in this cooperative endeavor. Having the Russians on board will provide the United

States and our other partners a very valuable asset.

As an indicator of the level of commitment that Russia has given the space station, this year the Russian space agency was granted an increase in its budget, including its science budget. This represents the strong support that the space program receives from the Russian Government. And the Russian space program, like ours, has been a constant source of pride to the Russian people. It enjoys the broadest spectrum of political support in Russia.

Our venture into space is teaching us important lessons in how to live together through cooperation on Earth. However, our cooperative activities with Russia—encouraging democracy, supporting a market economy, nuclear arms dismantlement, scientific collaboration—also advance our own national interests. During this critical period of transformation in Russia, we should continue this cooperation, not undermine it.

Failure to fund the space station would break our partnership with Europe, Japan, and Canada. These countries have expended over half of their \$9 billion commitment to the \$15 billion space station program. It would cause them to conclude that they can no longer count on a United States commitment to build, launch and operate the space station.

Mr. President, it would be unthinkable for America to be a bad business partner. We have given our word to these other countries. They have invested based on our word. It is the word of Congress as well as past Presidents and the present President. We cannot walk away after they have relied on that. We cannot do that.

Congress has voted in support of the space station more than 20 times since 1987. This program is a reality. If we were to stop the program now, the cost of terminating the station would take out all the savings that would be projected in the 1996 budget. Our investment of \$14.5 billion in the overall program would be thrown out the window. That would be a foolish thing for us to do.

None of us want to be in a Congress that is remembered for displaying the failure of will—good will—that abandoning the space station project would signify. Grounding the space station would be the moral equivalent of grounding the American dream.

The American people know and appreciate what the space station has done for the past 40 years to enhance our lives. They know the sacrifices that have been made by the early pioneers. Our national pride soared when our first manned spacecraft orbited the Earth. Who will ever forget watching the first man step on the Moon and plant the American flag in the Moon dust?

Mr. President, we have led this space race, but in the big picture we have really only taken the first small step for man. The giant leap can only come

with the commitment over time. The giant leap of mankind must be pursued. We are the leaders, and we cannot let down our people who have invested so much, our partners who have invested so much. It would be unthinkable.

I urge my colleagues to support the space station and NASA once again, just as we have 20 times before. This is not the time to walk away from a commitment. I hope that we will do the right thing and hopefully we will put this issue to rest so that there will never be a question of our commitment to the future and the future jobs for our country.

I thank the Chair. I yield the floor.

Mr. PRESSLER. Mr. President, I rise in opposition to the Bumpers amendment and in support of the space station program.

I am a longstanding supporter of NASA's space station program. Undertaking technological challenges like the space station in why we have a NASA. I also believe the space station is the next logical step in our quest to extend human presence in our solar system. Space station will provide invaluable information to scientists and engineers on humans' ability to live and work in space. That information and experience will be critical if we undertake any future missions to the Moon or Mars.

The space station's greatest benefit may be in the area of spinoffs. Many technologies we take for granted today—such as microcomputers, pacemakers, artificial limbs, insulin pumps, and communications satellites—are byproducts of past space missions. If NASA's past is any indication, the space station will usher in a new generation of inventions and technological breakthroughs we cannot yet imagine.

Earlier this year, I attended the Oshkosh Air Show with NASA Administrator Dan Goldin. I was amazed at the number of NASA-related spinoffs on display. Many, if not most, of the advanced aircraft, engines, and other technologies we saw owed their development in some way to NASA's research. In fact, it has been estimated that for every dollar invested in the space program, the Nation gets a return of \$2 in the form of related spinoff benefits.

In 1993, our trade surplus in aerospace technology was \$39 billion—our strongest export sector. Without question, that positive balance of trade is due in large measure to the U.S. space program and the related technology transfer to U.S. industry. If this pattern continues, taxpayers can expect enormous returns on their investment in the international space station program.

It would be a sad waste of the time, effort, and money spent so far on the space station if we were to give up now. Since 1984, the United States has spent \$12 billion on the space station. Equally important, 13,000 Americans in 38 States in space station-related jobs

have been working hard to make this great dream become a reality. Now NASA is ready to go. Facilities have been built. Hardware has been constructed. Plans have been finalized. We are now only 2 years away from the launch of the first element of the station. It is time to finish what we started.

We also must not forget the United States is not the only investor in the space station. Indeed, the station is not only an international project, it is the largest international science project ever undertaken. Japan the European Space Agency are each developing a lab module for the space station and the Canadians are developing a robotic arm. Our newest partner, Russia, also is playing a key role by providing launches, a navigational system, and rescue vehicles. Together, our foreign space station partners have spent \$4 billion on the project—with billions more budgeted. Increasingly, big science projects are becoming far too expensive and complex for any one country to undertake alone. If we do not honor our commitments to our foreign partners, we cannot expect them to participate in any future international space and science missions.

Mr. President, these are some of the reasons I endorse the space station program. In that connection, in July, as chairman of the Senate Committee on Commerce, Science, and Transportation, I introduced authorization legislation for NASA, which provides full funding for the space station, as well as for Mission to Planet Earth and other important space and aeronautics activities.

Mr. President, while I support the space station, my support is not unqualified. I do have some serious reservations about the program. None are so serious as to lead me to support killing the program. However, the Commerce Committee will be keeping a close eye on each.

First of all, I am concerned about the program's overreliance on the Russians. Until 1993, space station was largely a United States program, with substantial contributions by the European Space Agency, Japan, and Canada. However, late in 1993, the administration added Russia as a space station partner. Today, the program increasingly seems to be driven by the Russians, and not the United States. Under the current plan, 44 of the launches to assemble and supply the station are Russian launches compared to only 27 shuttle launches. Furthermore, Russian spacecraft will be used for both the navigation system for the space station and its crew rescue vehicles. If, for any reason, the Russians are forced to withdraw from the station, the program would be in peril.

Second, I am troubled by the sheer complexity of the space station effort. For instance, the assembly of the space station will require 77 launches over a 5-year period, each of which must occur within a tight window of time and in a

proper sequence. Moreover, this assembly will require over 600 hours of space walking by astronaut crews. Traditionally, NASA has tried to minimize space walking because it places crews at risk, complicates the accomplishment of mission goals, and takes away from the astronauts' research time.

Finally, my biggest concern about the space station is its enormous cost. When it was first proposed in 1984, the space station was estimated to cost \$8 billion. However, in a June 1995 report, the General Accounting Office [GAO] estimated that the total cost of the design, launch, and operation of the space station will be \$94 billion. That is about seven times the entire annual budget for NASA. My fear is that, if the space station suffers substantial cost overruns, its budget may eventually crowd out every other NASA program and leave the space station as NASA's only mission. This result is clearly not in the public interest.

I am particularly concerned about the impact of space station funding on Mission to Planet Earth. I believe Mission to Planet Earth to be NASA's most important and relevant program. Using the latest satellite technology, Mission to Planet Earth will help scientists understand and predict the global climate trends that affect our lives. As a Senator representing a State whose economy is extremely dependent on agriculture, I have a keen interest in the program's potential to provide detailed data on soil conditions, topography, crops, and other information critical to the farming and ranching communities. I also take great pride in the important role the EROS Data Center in Sioux Falls, SD, will play in converting the huge volumes of satellite data into useful information for the entire Nation.

Accordingly, as much as I appreciate the scientific and economic benefits of the space station, I could not have supported it at the expense of Mission to Planet Earth. I am pleased that the authors of the underlying bill—H.R. 2099—did not place us in that dilemma, but managed to find a way in this tight budget climate to fund both space station and Mission to Planet Earth. This could not have been easy and I commend the managers of the bill on their wisdom and good judgment in addressing this issue.

Mr. President, let me be clear. The space station is a monumentally complex and costly undertaking. Some say it is an impossible dream. However, NASA's heritage and history is about doing the impossible. I am confident that, under Dan Goldin's leadership, NASA will bravely meet this challenge and finally build the orbital space laboratory we have been planning for two decades. In a world where economic growth increasingly depends on technological leadership, space station is the kind of bold step needed to increase our scientific knowledge and strengthen U.S. competitiveness. VerDate 20-SEP-95 02:15 Oct 03, 1995

So, Mr. President, despite my questions and reservations about the space station, I believe it is the Nation's interest to go forward and complete this important project. Accordingly, I urge my colleagues to vote "no" on the Bumpers amendment and vote "yes" for space station and the future of our space program and the future of our Nation.

Mr. FEINGOLD. Mr. President, I am pleased to once again be an original cosponsor of this effort to terminate funding for the space station, and I commend the senior Senator from Arkansas, Senator BUMPERS, for his continuing efforts in this area.

Every year, Mr. President, the Senator from Arkansas comes to the floor with amendment after amendment to cut Federal spending and to help us with our uphill efforts to balance the Federal budget. We need to closely scrutinize every program in the Federal budget, and quite simply, ask ourselves if, given our current financial constraints and given the immense sacrifices we have been asking Medicare recipients, college students, veterans, and many others to make, can we afford to continue this particular spending program?

This is the third consecutive year I have joined with the Senator from Arkansas, the Senator from Virginia, Senator WARNER, and others in this bipartisan effort to delete funding for the space station. Each year, the Senator from Arkansas has presented a number of strong arguments in support of terminating the space station. He has presented information about NASA's notorious cost-overruns. We have learned that a large part of the scientific community, including the American Physical Society and the American Cancer Society—two groups that have been alleged to potentially benefit from this space endeavor—actually oppose continued funding of this space station.

We have learned about a recent General Accounting Office report that found that the total amount of funding that will be required to build this space station is \$78 billion. And of course, that is \$78 billion that we are going to have to borrow and pay interest on for many years to come.

The construction of the space station is opposed by many of the leading groups supporting deficit reduction and a balanced budget, including the National Taxpayers Union, Citizens Against Government Waste, as well as Friends of the Earth.

Yet the Congress continues to write a \$2 billion check to NASA every year to continue the construction of a space station. Mr. President, I have said before that I do not support shutting down our space program. Clearly, many of our space programs have proven to justify their costs. And it is my hope that when our fiscal house is in order that we can continue and enhance our space exploration initiatives.

But it is also clear that we cannot and will not become a financially re-

sponsible nation until every Federal program is put on the table, closely scrutinized, and determined to be either justified or not justified given our current fiscal constraints. Mr. President, the space station must be put on the table and we must have the political will and fiscal discipline to once and for all discontinue funding for this costly program.

Once again, I thank the distinguished senior Senator from Arkansas, Senator BUMPERS, and I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I rise this year in support of America's space program and in opposition to the Bumpers amendment which would strike funding for the space station.

I have said this before and I will say it again: This amendment is a choice between the future and the past. What kind of nation will we be in the 21st century? Will we be the one that uses technology to help people with their day-to-day lives and keep people employed in the field of manufacturing, or are we going to let America's best days be behind it? Will we use American ingenuity and know-how through the unique environment of space to tackle our understanding of disease or development of new technologies that can be used at home on the planet Earth? These are the questions that are at the heart of why America needs a space station and why we should, once again, defeat the Bumpers amendment.

Some will argue that science carried out on the space station can be accomplished more effectively on the planet Earth. This simply is not true. The science proposed for the station cannot be accomplished on Earth at any major price. Space station science requires sustained access to very low levels of gravitational force. It is technologically impossible to create a low-gravity environment for this type of research without going into orbit.

Some might say, "Well, if that's so, why not do this type of science on the space shuttle if you need to go into orbit?"

I bring this point to their attention: The shuttle can stay in orbit only for 2 weeks. We do not limit cancer researchers to 2 weeks in the lab to find a cure for that devastating disease. Why should we limit space science to only 2 weeks up in the air? Much of the proposed research will take months, if not years, to complete.

Another argument we hear every year is cost. Sure, the space station costs money. So does anything else worthwhile. We have heard that the GAO estimated that the station would cost \$94 billion to fund over a period of years. This number is misleading. When tabulating the total cost, the Government Accounting Office included a large portion of NASA's human space flight budget in its analysis. The fact is that \$51 billion of the \$94 billion is for shuttle missions that

were going to fly regardless of the fate of the space station.

The real cost of the station, which includes final development and construction and 10 years of operation is \$26.2 billion. The remaining balance of the erroneous \$94 billion estimate is life science and microgravity research—life science and microgravity research—and that is the heart and soul of what is to be done on the space station—microgravity research and life science research.

We heard a few minutes ago a distinguished Senator and a former astronaut talk with eloquence in detail about the brilliant, needed research that is going on in the life science area and that it could only be done in space.

I will not repeat the many examples there, but I can tell you as a woman who fought to establish the Office of Women's Health at NIH, who joined with my colleagues to make sure we had funding for breast cancer and ovarian cancer research, it is important to me that we continue this work. And it was through my efforts working with then Dr. Bernadine Healy at the National Institutes of Health and Dr. Dan Goldin that we forged this unique partnership between space and NIH to deal with key life science issues and to coordinate all of that research.

This is what the U.S. Government is all about: Saving lives, saving jobs, saving communities and that is what the space station is all about. We go out there so that we can save lives, jobs in communities right here on the planet Earth.

What is the cost to America if we do not continue the space station? Well, the Federal Government has already invested \$14.5 billion. If we do not fund the space station, 15,000 highly skilled engineering and production contract jobs, along with about a thousand civil service jobs, will be lost; the jobs of 35,000 contract workers and 5,000 civil servants who work on the shuttle will be at risk.

Long duration microgravity research in cell and developmental biology, human physiology, biotech, fluid physics—and if you think it is hard to say fluid physics, you ought to be out there trying to do it—fluid physics, combustion science, material science, benchmark physics, as well as the development of new pharmaceuticals and understanding of Earth-based diseases. We would lose that.

We would also lose our credibility with our international partners if we shut down the space station. Russia, Japan, Europe, and Canada have already invested more than \$9 billion. Finally, the U.S. competitiveness could be maintained by continuing the long-term cutting edge high-risk R&D research that is integral to the space station development.

Japan, Europe, and Canada regard our agreement to pursue the space station as a treaty. To break this violates treaty-level negotiations.

Finally, one of the benefits of the end of the cold war is that rather than

competing with the Russians in space, duplicating projects in science, we actually are working together to be best at what we each need in space station activity.

Mr. President, we could argue these points all night, but I will not put my friends and colleagues through that. This bill is going to take long enough to debate. When we vote on the Bumpers amendment, I am going to ask every Senator to think long and hard about what this amendment means. This vote is not about money or cutting spending. Sure, we all want to cut spending. But this is about investing in the future, it is about our kids and the kind of world we will live in and the kind of jobs we have. It is about the American spirit of new frontiers, the human exploration. The American character has always been about progress, moving ahead, using science and technology to advance an American agenda, but a global one also.

That is what I want to support. I want to see a bright new future with opportunities beyond our comprehension. I want to open doors that lead to new technologies and new challenges and new markets. This amendment leaves us standing in front of these new doors too paralyzed by fear with a green eyeshade clouding our vision of the future.

So I hope my colleagues will join me in voting "yes" for the future and "no" on the Bumpers amendment.

I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, as usual, my colleague from Maryland is extremely eloquent as she states the case for the space station. She has done it very well. She and the Senators from Texas and Ohio have made the case.

I ask unanimous consent to print in the RECORD some explanations and corrections for the committee report on this bill. Because of the time pressure, we did not have the chance to make all the corrections on the report. I ask they be printed in the RECORD for the information of those who may have questions about this report. It does not amend the report, but it will be in further explanation of the report.

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

VA-HUD, INDEPENDENT AGENCIES APPROPRIATIONS BILL (H.R. 2099)—CORRECTIONS TO SENATE REPORT 104-140

Page and Comment:

P. 42—Starting with the last full paragraph on page 42 and replacing the text through the first full paragraph on page 44:

"In addition, the Committee is recommending the creation of a demonstration program for up to 30 PHAs to address the problem of dependency in the public housing population by encouraging employment and self-sufficiency for the very low and extremely low-income families who now live in public housing.

"Up to 30 PHAs would be permitted to use funding for Section 8 and public housing in a

much more flexible way than under current program rules. Funding streams could be combined, so long as the PHA continued to assist essentially the same number of total families as would have been served had the funding streams for Section 8 and the two public housing formula-based programs remained separate. The amount of funding available to the PHA from public housing operating subsidies, modernization grants, and Section 8 annual contributions contracts would not be affected by participation in the demonstration.

"PHAs participating in the demonstration would have very broad flexibility to set rents and conditions of occupancy in ways that encourage work and upward mobility. These policies could include exclusions of earned income for purposes of determining rent, but they might also include more far-reaching changes that redefine the role of Federal housing activities to provide supplementary assistance to families on a temporary basis.

"In order to make sure that the models created by this demonstration are tested and replicable and that their long-term effect is well understood, HUD will provide training and technical assistance for the design and implementation of the programs of up to 10 PHAs, and will conduct detailed evaluations of those programs. The demonstration includes a set-aside for this purpose of \$5,000,000 from amounts appropriated for the public housing modernization program."

P. 46—Second paragraph beginning with "irrespective" should strike the parenthetical referring to the \$10 billion loss reserve, as this accounting figure is not related to the budget estimate for claims discussed previously, and is not "in addition" to them.

P. 48—The Report states that the funding for preservation includes \$550 million for preservation incentives and \$74 million for prepayment vouchers. It is clear that \$74 million is not sufficient to cover the prepayment voucher need. Instead, as the Bill permits, the Department will have the discretion to stop funding incentives where needed to ensure that tenants will not be displaced by prepayment.

P. 49—The language recognizes that there is significantly less credit subsidy available for F.Y. 1996 than in past years, and that the deficiency will need to be offset. However, the report only refers to underwriting changes as the way to offset that deficiency. In addition, the report does not acknowledge that FHA will be allowed to use negative credit subsidy from its revenue producing products as well as other potential sources.

Program Accounts:

P. 55—Public Housing Demolition etc.—The description really is for the severely distressed program (HOPE VI) which is not continued under the Committee's recommendation. The Committee has proposed a successor program to the HOPE VI/URD program which targets funding to the actual demolition and replacement of failed housing developments in a manner which streamlines and facilitates such remedial activities.

P. 56—Description of the Demo/Disp Committee Recommendation should include use of the funds also for tenant-based assistance under Section 8 at the end of the first sentence. It should also say that this funding level is the same as FY 1995 "for the HOPE VI program".

P. 56—Drug Elimination: The Committee recommendation needs to include the following: 1) that the program can be distributed on a formula basis; 2) that there is a 6.25 percent setaside for drug elimination grants in connection with assisted housing projects, and 3) that grants are available to fight drug-related and other types of crime.

P. 61—Program Description of CDBG: In the second paragraph, the second sentence

should be reordered to read as follows: "After deducting designated amounts for special purpose grants and Indian tribes, seventy percent of appropriated funds are distributed to entitlement communities and 30 percent are distributed through States to nonentitlement communities."

P. 62—Chart: Should reflect the Bill appropriation of \$27 million (not 22.5) for special purpose grants under section 107. Should add Ntl. Am. Indian Council and HAC funds. The report does not note the setaside of \$12 million for housing counseling services from the \$80 million supportive services program.

P. 62—NAIHC should be written out as follows: "National American Indian Housing Council". This should be added to the Chart.

P. 62—CDBG Supportive Services Demo: The report does not track the legislative language which includes Indian housing agencies and other housing assistance entities to provide services to serve the elderly and the disabled as well as residents of public housing.

P. 63—CDBG setaside: There is no description of the counseling program as a setaside (or earmark, as the report describes Youthbuild) of the supportive services demo. The Report should say that this is an earmark of \$12 million from the demo.

P. 66—Sec. 201(a)—Describes the Rescissions Act provision rather, but does not note modifications. The Report states that the fungibility does not extend to use of Op Subs; however, there is a 10 percent fungibility provision.

P. 67—3d full paragraph—Second sentence describes an amendment HUD proposed but was never accepted.

P. 68—69—Mandatory conversion: This does not reference the portion of this section which allows the Secretary to recapture and reuse unused mod, CIAP, or MROP Budget Authority.

P. 69—Explains that the Secretary has powers to require conversion only where a PHA has not expeditiously implemented the plan. However, the Secretary's powers are triggered by sheer "inadequacy" of plan or implementation, not just untimeliness.

P. 69—70—Section 204(b) [nondiscrimination] is not in the reported bill. The other subsections of 204 need to be redesignated, accordingly.

P. 70—FMRs: Second paragraph refers to FY 1995, instead of FY 1996.

P. 70—This section should read as follows: "Section 205(d) would delay reissuance of vouchers and certificates for 6 months (but not later than 10/1/96), with the exception of any certificates assigned or committed to project based assistance as permitted otherwise by the Act, accomplished prior to the effective date of this Act."

P. 71—Section 210: the last reference in this paragraph should be to section 208, not 202.

P. 71—Section 211, First paragraph, 4th line, strike "housing assistance". (contracts are both HAP and ACC contracts). First paragraph, second to last sentence, reference should be to project-based assistance. Third paragraph, last sentence, strike "tenants" and insert "eligible families, including those".

P. 72—First line, strike "mortgage" and insert "insurance contract".

P. 76—In the first sentence of the explanation of section 218, the word "pertaining" should be deleted. The bill "prohibits the use of any funds by HUD for any activity related to the enforcement of the Fair Housing Act for property insurance." The House provision barred not just enforcement but all spending related to property insurance, including research. The Senate bill does not.

P. 76—Section 221, should be divided into 2 sentences. The first should end with theVerDate 20-SEP-

word "formula". The second should read as follows: "Changes would continue to be subject to applicable rulemaking procedures."

P. 77—Heading should be "Extension Period for Sharing Utility Cost Savings with PHAs". Sec. 224 should have a separate heading.

Department of Justice:

The second paragraph of the Committee Recommendation says it "relocates all responsibilities for fair housing issues currently housed in the Department of Housing and Urban Development". This should be revised to "relocates all responsibilities of the Secretary under the Fair Housing Act". As written, the statement inaccurately describes the bill. The bill only pertains to Title VIII (the Fair Housing Act). The Secretary continues to have responsibility for fair housing under Title VI, the Rehab Act, etc.

Mr. BOND. Mr. President, in just a few minutes, I will be proposing a unanimous-consent request setting forth the time for debate on this tomorrow. We will have an opportunity to go through some of these debates and expand upon them.

I am not going to take much time tonight other than to say the proponent of this amendment is very eloquent. He has raised quite a few concerns that he has. I believe there are good answers for all of them. I was reminded, as he spoke, about all the things that could potentially go wrong, of a cartoon character many years ago who used to walk around with a metal shield over his head so he would not be hit by a meteorite if one came from space. Some of the arguments presented against the space station seem to have about as much likelihood of occurring as being struck by a meteorite.

I do want to point out that in this bill we do not, as the proponents suggest, cut back on regulation to endanger the drinking water of this country. In fact, we believe that with restructuring and refocusing the activities of the Environmental Protection Agency, we can continue to make the progress that we have made in these fields.

But to address the particular terms of this amendment, the argument has been made that we do not really need to go to a space shuttle, because everything we can do on a space shuttle can be accomplished much more effectively on Earth. But I say the facts are that the science proposed for the station cannot be accomplished on Earth at any price.

The space station science requires sustained access to very low levels of gravitational force. It is not technically feasible to create a low-gravity environment for research without going into orbit, and I believe the speakers opposing the amendment have made that point very well.

The space shuttle program has produced a number of very important findings and helped scientists to explore the possibilities of orbital research, but the space shuttle can only stay in orbit for 16 days at a time. Dr. Michael DeBakey, chancellor and chairman of the department of surgery at Baylor College of Medicine has said:

Present technology of the shuttle allows for stays in space of only about 2 weeks. We do not limit medical researchers to only a few hours in the laboratory and expect cures for cancer. We need much longer missions in space, in months to years to obtain research results that may lead to the development of new knowledge and breakthroughs.

I might also add that the National Research Council, an arm of the National Academy of Sciences just released a report on microresearch opportunities for 1990 which states:

The need for an extended duration orbiting platform has been identified as critical in many microgravity research experiments because of the time required for experimentation, the wide parametric ranges and the need to demonstrate the reproductibility of results.

Another quote:

The duration of experiments, the regime of parameters available to experimenters and the ability to demonstrate reproductibility of results in microgravity experiments create the need for extended duration orbiting platforms.

There are many other authorities that we could cite for this proposition, but as my colleague from Maryland has said, this is a question of setting priorities. We have a tight budget, certainly, but we ought to be in the position where we make investments that are important for the future. I believe it would be a tragedy, a tremendous tragedy, were we tomorrow to vote to kill the space station. The space station is the most ambitious and exciting space program since the Apollo program of over 25 years ago.

I think it is time that we called an end to the incessant attempts to kill the space station. Over the last 4 years, there have been 13 attempts in the House and Senate to kill the program.

And fortunately, because of the knowledge and what the space station can and will do, these amendments have failed.

Last year, a resounding 64 Senators voted against this amendment. I was proud to be among them. The arguments used by station opponents this year are the same ones. We have seen the same charts. We have gone through the drill. These tired arguments have been used in the past. The claims were not true then; they are not true now.

Let me tick off a very few. The space station is no longer a dream. It is a reality. It is working. It is providing results.

Second, the space station is perfectly on schedule and on budget. As a matter of fact, through the leadership of the administration, the White House and NASA, we are going through the entire space budget and we have made significant savings. We can spend our scarce dollars on high-priority programs and that includes the space station.

Third, a streamlined management team is in place. NASA has reduced its in-house work force by 1,000, almost one half, and the program is being better managed than ever before. They made rescissions and reforms in having a prime contractor. The system is working.

Fourth, cooperation with Russia is working as planned. We are working with our former adversary and developing some very usable scientific information, and breaking new ground working with Russia.

Fifth, the program is not a budget buster. It has been included in the budget resolution that has been adopted because it is an investment.

Finally, the space station will not undermine the balance among NASA programs in human space flight, science, technology, and aeronautics. This is a program which deserves to stand on its own.

I think the amendment to terminate the space station threatens the existence of the U.S. human space flight program, and I urge my colleagues not support the amendment when it comes up for a vote tomorrow.

MORNING BUSINESS

Mr. BOND. Mr. President, I ask unanimous consent there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

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

REPUBLICAN CUTS IN STUDENT LOANS

Mr. KENNEDY. Mr. President, we have an extremely important measure that is before the Senate at the present time where we have had discussion. I would like to take just a few moments to talk about another extremely important measure that will be and is important to the Senate tomorrow when the Labor and Human Resources Committee meets its obligations under the budget recommendations and addresses how we are going to reach the instructions by the Budget Committee. I wish to take just a few moments of the Senate's time on this issue.

Mr. President, tomorrow, the Senate Labor and Human Resources Committee will be asked to take \$10 billion out of the student loan accounts to help pay for a tax cut for the wealthiest Americans. That priority is wrong, and I oppose it.

Senator KASSEBAUM's reconciliation proposal strikes at the heart of the Federal commitment to higher education. It adds to the debt burden of students, increases the costs for working families struggling to pay for college, and penalizes colleges and universities for accepting needy students.

Tomorrow's markup marks the third time in a week we have been asked to meet to consider student loan cuts, and the proposal has not improved with time. Senator KASSEBAUM's proposal retains the unprecedented student loan tax on colleges and universities, it forces schools out of the direct lending program against their will, and it triples the cut imposed directly on students.

More than two-thirds of the proposed cut—\$7.6 billion—fall on students and