

(1) in subsection (a)—

(A) in the heading, by striking “TEMPORARY”; and

(B) by striking paragraph (4) and and inserting the following:

“(4) to exchange through an independent third party, before awarding need-based financial aid to any of such students who is commonly admitted to the institutions of higher education involved, data submitted by the student so admitted, the student’s family, or a financial institution on behalf of the student or the student’s family relating to assets, liabilities, income, expenses, the number of family members, and the number of the student’s siblings in college, if each of such institutions of higher education is permitted to retrieve such data only once with respect to the student.”; and

(2) in subsection (d), by striking “September 30, 1997” and inserting “September 30, 2001”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect immediately before September 30, 1997.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SMITH] and the gentleman from Massachusetts [Mr. FRANK] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SMITH].

□ 1415

GENERAL LEAVE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

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

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House concurs in the Senate amendment to H.R. 1866, the Need-Based Educational Aid Antitrust Protection Act of 1997, which I introduced last June. Mr. Speaker, I want to pause here to give special thanks to Joseph Gibson of the House Committee on the Judiciary for his good work on this legislation.

Mr. Speaker, beginning in the mid-1950’s, a number of private colleges and universities agreed to award institutional financial aid; that is, aid from the school’s own funds, solely on the basis of demonstrated financial need. These schools also agreed to use common principles to assess each student’s need and to give essentially the same financial aid award to each of the students admitted to more than one member of the group.

From the 1950’s through the late 1980’s, the practice continued undisturbed. In 1989, the Antitrust Division of the Department of Justice brought suit against nine of the colleges engaging in this practice. After extensive litigation, the parties reached a final settlement in 1993.

In 1994, Congress passed a temporary exemption from the antitrust laws that basically codified the settlement. It allowed agreements to provide aid on the basis of need only; to use common prin-

ciples of needs analysis; to use a common financial aid application form; and to allow exchange of the student’s financial aid information to a third party. It also prohibited agreements on awards to specific students. It provided for this exemption to expire on September 30, 1997.

To my knowledge, there are no complaints about the existing exemption. H.R. 1866, as introduced and passed by the House, would have made the exemption passed in 1994 permanent. It would not have made any change to the substance of the exemption.

The Senate amendment provides for a 4-year extension of the exemption and makes some minor technical changes to the information-sharing provision of the exemption. I would have preferred that we pass this bill as originally introduced, particularly with respect to the permanency of the exemption.

Despite my disappointment with the other body’s shortening of the exemption, I am encouraged that they kept the provision of the original bill that struck the word “temporary” from the heading of the provision. I believe this represents an understanding that we will make the exemption permanent if no problems are reported with it during this 4-year extension. It is with that understanding that I am willing to accept the Senate amendment.

Mr. Speaker, the need-based financial aid system serves social goals that the antitrust laws do not adequately address; namely, making financial aid available to the broadest number of students solely on the basis of financial need. Without it, the schools would be required to compete, through financial aid awards, for the very top students. Those very top students would get all the aid available. That would be more than they need. The rest would get less or none at all.

Ultimately, such a system would serve to undermine the principles of need-based aid and need-blind admissions.

No student who is otherwise qualified ought to be denied the opportunity to go to the colleges involved because of the financial situation of his or her family. H.R. 1866 will help protect need-based aid and need-blind admissions and preserve that opportunity.

Mr. Speaker, I urge the House to suspend the rules and concur in the Senate amendment.

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

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

Mr. Speaker, I congratulate the gentleman from Texas [Mr. SMITH], the chairman of the Subcommittee on Immigration and Claims. I agree with the legislation that the gentleman has introduced, and I share his regret that the Senate made it only a 4-year extension. There was no good reason for that.

But, Mr. Speaker, I also share the gentleman’s view that the best thing

for us to do is to concur, so we can at least keep it going. The colleges deserve to have been supported by the Federal Government, not interfered with when this first came up.

As the gentleman from Texas very accurately explained, what we are talking about here is an effort by the colleges to put their scholarship money where the need is the greatest. Absent this kind of antitrust exemption, there would be pressures on them to bid for a few students, regardless of whether or not need existed, and that would take money away in a limited-resource universe that we live in, from students in great need.

Mr. Speaker, I thought it was a serious error when the Department of Justice years ago interfered here. Congress did the right thing by stepping in to protect the right of the universities to do this. We should be making it permanent, and the gentleman from Texas has taken the lead here in a very good way. Given that the Senate did not want to go along with the permanent extension, this is the best we could do and so we should do it.

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

Mr. SMITH of Texas. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. FRANK] for his comments and for his support, since the gentleman was an original cosponsor of this legislation.

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

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion of the gentleman from Texas [Mr. SMITH] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 1866.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment to H.R. 1866 was concurred in.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore. The Chair will recognize Members for special order speeches, without prejudice to the resumption of legislative business.

THE PRESIDENTIAL AND EXECUTIVE OFFICE FINANCIAL ACCOUNTABILITY ACT OF 1997

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 7, 1997, the gentleman from California [Mr. HORN] is recognized for 60 minutes as the designee of the majority leader.

Mr. HORN. Mr. Speaker, I rise to speak on a bill that will improve the financial operations of the White House.

Last Thursday the Subcommittee on Government Management, Information, and Technology, which I chair,