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Senate

The Senate met at 2 p.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Creator of the world, Ruler over all life, our Adonai, Sovereign Lord of our life, we join with our Jewish friends in celebrating Rosh Hashanah, ''the head of the year,'' the beginning of the days of awe and repentance, a time of reconciliation with You and one another. We thank You that we are all united in our need to repent, to return to our real selves for an honest inventory, and then to return to You with a humble and contrite heart. Forgive our sins of omission: The words and deeds You called us to do and we neglected, our bland condoning of prejudice and hatred, and our toleration of injustice in our society. Forgive our sins of commission: The times we turned away from Your clear and specific guidance, and the times we knowingly rebelled against Your management of our lives and Your righteousness in our Nation. O, God, sound the shofar in our souls, blow the trumpets, and wake our somnolent spirits. Arouse us and call us to spiritual regeneration. Awaken us to our accountability to You for our lives, and our leadership of this Nation. We thank You for Your atoning grace and for the opportunity for a new beginning.

Help the Jews and Christians called to serve in this Senate, the Senators' staffs, and the whole support team of the Senate to celebrate our unity under Your sovereignty and exemplify to our Nation the oneness of a shared commitment to You. In Your holy name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader of the Senate, Senator DOLE, is recognized.

Mr. DOLE. I thank the President pro tempore.

SCHEDULE

Mr. DOLE. Mr. President, leader time is reserved, and there will be a period of morning business now until 3 p.m. There will be no rollcall votes today, and any votes ordered will be stacked to begin starting at 2:15 tomorrow.

At around 4 o'clock today, Senator BUMPERS of Arkansas will offer a space station amendment. We do hope to have amendments throughout the day, and votes on those amendments will be ordered and set aside until tomorrow, so that some of our colleagues who have a holiday today will not miss votes. We will have votes starting at 2:15 tomorrow.

Let me repeat as I did on Friday, if we are able to complete the three remaining appropriations bills this week: VA, HUD; Labor, HHS; Commerce, Justice, State, and the continuing resolution, then we would be in recess until Tuesday, October 10.

Now, it is going to be very difficult because these are rather major appropriations bills. As the distinguished Senator from West Virginia knows, these are the big ones, three of the biggest ones, and there are some contentious issues in each one. I believe, if we have cooperation on both sides of the aisle, we can accomplish this. I have been working with the Democratic leader, Senator DASCHLE. He certainly has been helpful, and I appreciate that very much.

So I say to my colleagues, if we can complete action on the three appropriations bills—not the conference reports but complete Senate action—and the continuing resolution, then there would be a period from this Friday until Tuesday, October 10, which again would accommodate many of our colleagues because of holidays again next week.

I reserve the remainder of my time and yield the floor.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for morning business not to extend beyond the hour of 3 p.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

Under the previous order, the Senator from Utah [Mr. BENNETT] is recognized to speak for up to 45 minutes.

The able Senator from Utah, Senator BENNETT.

(Mr. KEMPTHORNE assumed the chair.)

Mr. BENNETT. I thank the Chair.

I appreciate the opportunity to take some time now. I apologize in advance for the state of my voice. Like many of our colleagues, I have sustained something of a cold or perhaps worse over the weekend. I am delighted we had the weekend so I got some rest and was able to recuperate a little bit. But if my voice gets a little raspy, Mr. President, I assure you there is no intention to do anything but communicate.

TAX REFORM

Mr. BENNETT. When I recently congratulated our colleague from Delaware, Senator ROTH, on his ascension to the chairmanship of the Finance Committee, he was gracious enough to tell me that he would welcome my ideas as the committee begins to deal with tax reform. I do have some ideas I would like to share with Chairman ROTH, and I will take the opportunity within the morning business period

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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this morning to share them with the Senate as a whole.

I say quickly that many of these ideas are similar to those that were expressed recently by Senator DOLE when he addressed this topic in Chicago.

First, Mr. President, we will start with a little history, and I call your attention to this chart.

We have learned from the 1992 campaign you cannot talk about taxes without a chart, so I decided to get with the program.

Here on the chart you have a red line, and that red line matches the left-hand side of the chart. It shows revenue to the Federal Government from the end of the Second World War until now. It is expressed as a percentage of the total economic output of the Nation, or what the economists call gross domestic product [GDP].

See how exciting that red line is, Mr. President. It is flat, unchanging, unwavering. Now let us look at the green line up here. This green line shows the top personal tax rates, and the chart showing that is on the right-hand side. Back here, at the end of the Second World War, the top marginal tax rate was 91 percent, and it has moved around in the time from then until now.

You will notice there was this one bump. You may remember that, Mr. President. That was the Lyndon Johnson surcharge for the Vietnam war, when everything was left as it was but there was to be a 10-percent increase added after you had fixed your tax return. Interestingly enough, that is the only time that you see any correlation between the top personal tax rate and the Federal receipts as a percentage of GDP. This has gone from 91 percent under Harry Truman down to 28 percent under Ronald Reagan and back up to 40 percent under Bill Clinton, but the impact on receipts has been negligible, if not zero.

That should put to rest the notion that it was the Reagan tax cuts which caused the deficit to soar. The Reagan tax cuts did not impact the percentage of GDP that came into the Government in that period of time.

No, Mr. President, no matter how many tax reform bills were passed, no matter how much Congress tinkered with the tax rates, the amount of money the Federal Government received as a percentage of the economy did not move more than a point. Why? Because every time Congress reformed the system, taxpayers adjusted their behavior in response to that reform and the percentage of their aggregate income coming to the Federal Government stayed about the same. As I said, one exception is this 10-percent surcharge blip that happened before they had an opportunity to adjust.

Now, what did change—I will talk about this later on—is the rate at which the economy grew. In these years, the Reagan years, we had a period of high economic growth, indeed, the longest sustained period of high economic growth that we have had in this century.

Now, that is important to keep in mind because you look at this flat 19-percent result. Nineteen percent of a big economy produces more money for the Government than 19 percent of a small one. So what we really want most of all is growth. Now, as I said, I will get back to that later on.

As I reflect on all of the debates held over the years on tax policy, I realize that there is one word that comes up over and over again—fairness. Every time we make a change in the tax law, we are told that it is necessary to make things more fair. Franklin Roosevelt pushed for a 91-percent tax rate in the 1930's in the name of fairness. ''Share the wealth.'' That was the cry. Sharing, means being fair. Well, 91 percent is by itself not fair. If it was fully enforced on everyone who had money to invest, it would shut down the economy. People would move out of the United States as they have moved out of the European countries that have tried these kinds of confiscatory rates. So to offset the impact of this confiscatory rate, Congress enacted a series of deductions and exceptions, each one with its own fairness rationale.

What we have done, Mr. President, is this: tip the Tax Code this way to encourage that activity or tip it that way to discourage the other one. And every time we do this, the code gets bigger and more complex. The rich hire more accountants and advisers to help them stay rich, or worse, they refrain from investments that create more jobs and more economic growth in order to avoid the impact of the latest reform.

Do you remember the windfall profits tax? With oil prices going through the roof and inflation gathering steam back in the 1970's, people decided that it was not fair that oil companies, by selling proven reserves already in the ground, would make more money than they had planned on—windfall profits. So in order to be fair about it, Congress put an extra tax on those profits. Well, new domestic oil drilling dropped off, jobs went overseas, and gaslines formed. Congress eventually had to repeal the windfall profits tax after it had done its damage. And at the time of the debate on the repeal, it was argued again that the tax was not fair.

During the recess, Mr. President, back home I sat down with my accountant. It was time to finally file my income tax. I had gotten an extension on the 15th of April. And that was up on the 15th of August.

As we went over the details of my tax return, we got into a discussion of this very issue. And my accountant, unprompted by me, made an interesting comment. He said, ''Senator, the present system is not fair to anybody.'' I find that a great irony, Mr. President, that we have in the name of fairness for some created a system that is unfair to everybody.

So, I say to Senator ROTH, as he asked for my suggestions, I start with this one. Let us get out a clean sheet of paper and repeal the present Tax Code in its entirety. Let us abolish the IRS as it currently stands. Let us stop the tinkering and create a new system based on the principle that the purpose of taxes is to raise money to run the Government, not to set priorities in the economy. I will repeat that, Mr. President, because it is the heart of what has been wrong and what we must do to make things right. The purpose of taxes is to raise money to run the Government.

Now, the new word that we should enshrine in every tax debate is neutrality. Neutrality is easier to define than fairness because we can test in advance whether a tax system is neutral. We cannot test whether or not it is fair because fairness is in the eye of the beholder. Neutrality means that the Tax Code should not be used to punish the bad guys and reward the good guys. We have other laws for that. The Tax Code should be used to collect money for the Government in as neutral and nonintrusive a way as possible leaving the marketplace free to set economic priorities based on true economic demand.

Neutrality also means that payment for labor and capital would have the same tax rates. When you look at it this way, some interesting things start to happen. A tax code that is neutral can also be simple; anyone can figure it out, and the goal of a 1040 on a postcard becomes achievable. One that is neutral and simple is also one that can be stable; it need not change. We regress the way we do it now.

Now, there is great power in this idea. With a stable tax code, you will be able to start a business and know that the tax laws will not change on you midstream. You will be able to buy a house, take out a loan, put money aside in a savings account or make any other investment you want and know that there will not be a nasty surprise coming after the next election.

A tax code that is neutral, simple, and stable—that should be America's goal for the 21st century. And if we get it, I believe there will be an added bonus. A system that is neutral, simple, and stable will also be the system that comes the closest to being fair.

Now, I hear the question: ''Does this mean, Senator BENNETT, that you are endorsing a flat tax?''

I want to see the recommendations that will be coming from the tax study commission that Senator DOLE and Speaker GINGRICH appointed, the one headed by Jack Kemp, before I lay out any specifics. But, yes, I do endorse the concept of a flat tax as one way to get a system that is neutral, simple, stable, and fair. There may well be others. I am a cosponsor of the Nunn-Domenici proposal, but I salute the Kemp commission for looking at all of them, as I know they are doing.

Now, the purists will say, to be completely neutral a flat tax should have no deductions. Theoretically they are

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right. However, I want to be sure that in making the transition from the present to a better tax system, we do not permit American homeowners to be adversely affected by higher mortgage interest burdens. Home mortgage interest rates currently reflect the value of the existing tax deduction. If we wipe out that single deduction in a single step and leave fixed interest rates where they are, we will penalize everyone who has a mortgage. The deduction should be phased out and only after homeowners can refinance their mortgages at rates that are more advantageous to them than are the existing rates with the tax deduction. And until that happens, I endorse leaving the home mortgage interest deduction as it is.

On the question of charitable contributions, I point out that we are constantly asked in this Chamber on the Federal level to take care of people who are in trouble, to support educational institutions, research projects, the arts, or all other kinds of good works in society. Right now much of the burden in these areas is being shouldered by good-hearted Americans who want to help through churches and other charities beyond just paying their taxes. These charities are usually better run and more efficient than the Government.

We should find a way to encourage those Americans who voluntarily give beyond their tax payments to engage in these kinds of activities and thus save the Government money. So I support a continuation of the charitable deduction. And I assume that at least Elizabeth Dole will agree with me on this one.

Now, the deductibility of State and local taxes in Federal income tax systems is, for me, an issue with constitutional overtones. I believe that States have an equal standing with the Federal Government under the Constitution and income should only be taxed once. That is a principle. As I have said, I will wait for the Kemp commission to report on specific rates and levels for a flat tax, but I do ask the Kemp Commission to consider fully the impact of any proposal on the deduction of mortgage interest, charitable contributions and State taxes.

I want the Commission to explore all approaches, just so long as they are neutral, simple, stable and fair.

Let me repeat my longstanding support for indexing the tax rate for capital gains as an immediate improvement in the present system. Taxes should be on real income, not paper income. Our present system of taxing paper profits as if they were real is not only a drag on the economy, but, in my view, it is contrary to the fifth amendment prohibition against taking.

In terms of purchasing power, many Americans have experienced such a loss of their property through the tax law; the Government has taken it. Here is an example.

Suppose, Mr. President, you invested $10,000 in a business in 1975, just before the great inflation of the 1970's. Say the business survived till now but has paid you no dividend and no interest, no return at all on your money. Your $10,000 has been locked up in that investment for over 20 years.

Finally, last year you found a buyer who paid you 20,000 1994 dollars. In purchasing power, you had a loss. To break even, you would have had to sell for $27,540 because your 10,000 1975 dollars lost more than half their value in that timeframe. But in tax terms, you owe Uncle Sam $2,800 for so-called capital gains.

You not only lost $7,540 in purchasing power on the principal, you lost an additional $2,800 in taxes. The unindexed capital gains tax confiscated a portion of your investment, not your gain. In real terms, there was no gain. As I said, Mr. President, to me, that constitutes a taking in violation of the spirit of the fifth amendment. It is time to stop it, stop taxing inflationary imaginary gains.

Our system of double taxation of corporate profits, if the profits are paid out as dividends, tilts the investment community away from equity investment and toward debt. A system that is truly neutral, simple, stable, and fair would avoid this tilt.

The taking on of huge debt by corporate America in the 1980's was not driven by the fabled greed of the Reagan years that some commentators talk so much about. It was driven by the nonneutrality of the Tax Code.

As I said at the beginning, the principal economic goal that we should have is growth. If the tax system produces—back to the chart—19 percent of GDP as revenue to the Government and the economy grows faster than Government spending does, it is clear we can do something positive about our national debt. An expanding GDP allows us to reduce the deficit with increased revenue and not depend on spending cuts alone.

Mind you, I am not saying we do not need to make the cuts, because clearly we do and for a whole series of reasons. However, if we try to solve the deficit problem entirely with spending cuts and ignore the growth side of the equation, we are turning our backs on our biggest opportunity for financial stability in the years to come.

I have seen economic studies that show that if we can increase the rate of growth by simply one-half of 1 percent per year—in other words, if we can grow at around 3 percent a year instead of 2.5 percent a year, the additional tax revenue that will come from that one-half percent, combined with the cuts we propose in Government spending, will allow us to balance the budget in less than 7 years. That is what Senator DOLE was talking about in Chicago a few weeks ago.

Some say the way to get this growth is to have the Federal Reserve devalue the currency. I disagree. We have seen the dollar drop significantly in recent years, reducing America's share of control of the world's goods, but it has not brought the growth we need. We cannot inflate our way to prosperity, nor can we devalue our way to prosperity, as we learned in the stagflation years of the seventies. We need sound money with price stability tied to a neutral, simple, stable, and fair Tax Code. That is the key to our achieving the higher rate of real growth, combined with discipline on the spending side, that will give us what we need in our fiscal future.

Those are the ideas I would share with the new chairman of the Finance Committee, Mr. President. I believe that the Senate author of the Kemp-Roth bill, who is that chairman, will be receptive to this recommendation.

If I can recap at this point, our financial future depends on the following principles:

First, we need a tax system that is neutral, simple, stable and fair, based on the concept that its purpose is to raise the money we need to run the Government and not to set economic and social priorities.

Second, income should only be taxed once.

Third, phantom income should not be taxed at all.

Fourth, our deficit problems should be attacked by both spending cuts and revenue growth, with the recognition that true revenue growth derives not from higher rates but from a stronger economy.

These are the principles that are the root to the solution of our economic ills. I salute Senator DOLE and Speaker GINGRICH for their leadership in creating a commission to focus on economic growth and intelligent tax policy for the next century, and I look forward to the commission's report with great anticipation.

Now, Mr. President, since I prepared these remarks, we have had a very busy schedule in the Senate, and I was unable to deliver them in the timeframe that I had anticipated. As often happens, events overtake you, and there are some other things that have occurred since I prepared this presentation that I would like to share with you at this time.

On September 13 in the Wall Street Journal, Robert L. Bartley, who is the editor of the editorial page of the Journal, produced a piece called ''Giving up on Growth.'' I am dependent upon Mr. Bartley for the first recognition of this 19-percent reality, as he has highlighted that again and again on the pages of the Journal.

I will not take the time to read all of his editorial ''Giving up on Growth,'' but he talks about many of the same things I talked about here. How, if we could only get the economy to grow at the same rate it did during the Reagan years, during the years, Mr. President, when the marginal tax rate was down here rather than up there, that we could solve most of our deficit problems, because the income would be so

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much higher in an economy growing at 3 percent plus than it will be at an economy growing at 2.5 percent that it tips the equation favorably in our balance.

He points out that the Clinton administration has resigned itself, if you will, to 2.5 percent as the highest possible growth we can achieve into the next century, turning their backs on the Reagan experience and the empirical evidence of the Reagan years.

However, whenever this is brought up, people immediately turn to the deficit issue, and we are confronted with the next chart, Mr. President, the chart showing the red ink, the sea of deficits, if you will. Here in nominal dollars is the record of the amount of deficits we had in the last century, so small at the beginning that you cannot even find them on this chart. This little bump is the First World War. We have the Second World War. But here we are, ''You see, when Ronald Reagan is elected President, look at the deficits. How can you stand there, Senator BENNETT, and say that we must go back to the Reagan years of high growth when the price we paid for that growth was the tremendous explosion of deficits?''

Then to really scare us, we are shown the next chart, when all of these deficits are accumulated in the form of the national debt, and the national debt goes up to the point where it is projected by the year 2005 to be $9 trillion.

This is a chart that scares everybody today. Well, Mr. President, let me comment briefly on this chart, before I move to the others, and take an experience out of my own lifetime.

When I was hired as the chief executive officer of the company that I headed for half a dozen years, we had some debt. It was $75,000. Today, that company has debt in excess of $7.5 million. If you were to put that debt on a chart like this, it would be even more dramatic than that. Clearly, you need to do something, Senator, this company is headed for bankruptcy because the debt has soared from a mere $75,000 to $7.5 million. But, of course, that does not tell the story.

When we had a debt of $75,000, our total sales were $250,000. Our debt was more than 25 percent of our total sales. Today, a debt of $7.5 million on a company with sales of close to $300 million is an insignificant issue indeed. But while we happen to have debt on the balance sheet of about $7.5 million, we have cash on the balance sheet of close to $60 million. You may ask why do you not pay off the debt? Well, it is left over from mortgages on buildings that were built at the time when we did not have that much cash, and there is a prepayment penalty attached to it. That debt is in no way threatening the existence of the corporation; whereas, the $75,000 debt caused us some sleepless nights. So it is not the nominal amount of the debt that we should look at, but the debt in relation to something else.

Let us go, for a clearer picture, to the next chart. Here is the chart of deficits listed in dollars that are adjusted for purchasing power. What in the previous chart was a mere blip for the Second World War now, in purchasing power, makes it clear that the highest deficit we have ever had in our history was in the Second World War, and none of the subsequent deficits have come close to it. What has happened to the economy? How big was the economy during the Second World War compared to the economy now?

So on the next chart we have computed the debt not as a piling up of nominal dollars, but as a percentage of GDP, or a percentage of the economy. And now you see that in the Second World War, the debt was close to 130 percent of total output. That is, we were spending 30 percent more than the entire economy was producing in the days of the Second World War, as the debt soared. And as soon as the war ended, the debt, as a percentage of GDP, began to fall, and fall dramatically, all the way down to during the 1970's, at roughly 30 percent of the economy. From 130 down to 30—a very different picture than the skyrocketing red ink on the previous chart.

So if you look at it in historic terms, Mr. President, today the debt, as a percentage of the economy, is roughly what it was when Dwight Eisenhower was President of the United States. We did not feel that the economy was in danger of political collapse and financial collapse during the Eisenhower Presidency. But there are differences. Obviously, the major difference is this one. It is growing now. In the Eisenhower Presidency, it was shrinking.

Let us look at the nature of the budget. In the Eisenhower Presidency, roughly 50 percent of the budget was devoted to defense. Today, I wish I could ask the distinguished occupant of the chair to respond because he serves on the Armed Services Committee and could give us a more correct answer. But the defense budget is about 6 percent—no, it is less than that, of the GDP and falling. And it is a relatively small percent of the total budget. What happened here—referring to the chart—that did not happen here? Well, in Eisenhower's time, there was no Medicaid, there was no Medicare, there were no middle class entitlements. As I say, the defense spending constituted about 50 percent of the budget.

What has happened is that entitlement spending has taken hold, regardless of whatever else is happening in the economy, and entitlement spending, as we have seen from the Commission headed by the Senator from Nebraska [Mr. KERREY], is going to take us over the cliff.

Are we in danger of immediate financial distress? No. When you look at it in this historical context, no. Do we need to do something about our financial circumstance right now, however? Yes, because these lines are going up instead of down. This is the first time in our history, Mr. President, that the lines have been going up in peacetime. Always before, when the lines went up, it was because of a war, and then they came down. Well, the cold war is over and the lines are still going up.

Now, Mr. President, as I said earlier, there are two parts of this line. One has to do with the amount of debt, and the other, since it is a percentage, has to do with the size of the economy. You can start these yellow lines moving down if you cut spending. But you can also start them coming down if you increase the size of the economy. We are back to growth, as one of the major solutions—one of the ignored solutions—to our fiscal circumstance.

Robert Bartley asks the question in his editorial:

> Have the Republicans given up on growth?

He says, talking about the importance of growth:

> Such discussion ought to start with the heirs of Ronald Reagan, the President who presided over our last period of acceptable growth. But with the withdrawal of Jack Kemp, no strong growth message comes from any of the GOP Presidential contenders, and even the newly ascendant Republicans pitch their rhetoric toward sacrifice rather than hope.

I object to his characterization of the majority leader's position. I think his statement in Chicago, which is in concert with the statement I have just made here, makes it very clear that he at least is determined to support growth as a major goal should he accede to the Presidency. Steve Forbes has just entered the Presidential list, calling for growth as the major goal of the Forbes administration. So there are contenders who, contrary to Mr. Bartley's comment, are focusing on growth. But as a general rule, his criticism, I think, is well taken.

He goes on:

> Even Representative Dick Armey's flat tax, in fact an incentive-boosting and investment-oriented initiative, has been promoted so far with arguments about simplification. It is almost as if Republicans are ashamed to promise growth.
>
> Despite their congressional triumph, that is, Republicans are still spooked by rhetoric about ''the rich'' and a ''decade of greed.'' In the off-year elections, President Clinton's every campaign appearance was marked by assaults against the 1980s; when votes were counted, the 1980s won. The Republicans could boost their own fortunes, and give the nation a badly needed psychological lift, if they started to claim their own birthright, to promise a return to the economic growth of the Reagan years.

I conclude, Mr. President, by going back to the original chart once again, which has been up for so much of my presentation but needs to be looked at again. We have been told ad nauseam that the reason we are in deficit now is because of the disastrous tax cuts of the Reagan years. The fact is, the tax cuts of the Reagan years have no impact on the percentage of the economy that came to the Federal Government.

As Mr. Bartley points out, they had a tremendous impact upon the rate at which that economy grew. Nineteen

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percent of a rapidly growing economy produces more money for the Government than 19 percent of a stagnant economy.

Mr. President, I certainly support spending cuts. We need to enforce spending cuts for a whole series of reasons.

I conclude by saying that the Republicans in this Senate need to recognize, as Senator DOLE called on us to recognize in his speech in Chicago, that our main goal for the economy should be long-term sustained growth in excess of the 2.5-percent rate for which the Clinton administration is prepared to settle.

If we can do that, Mr. President, if we can get the growth rate back up to where it was in the Ronald Reagan years and then with spending cuts get some control over the runaway entitlement pressures, we will see this line of yellow bars begin to move back down as it has done throughout our history.

We will leave to our children not only a Federal debt that is under control but an American economy that is growing rapidly enough to create the number of jobs and job opportunities that our children and grandchildren so richly deserve.

I apologize for the length of this presentation. As I say, we have opportunities only so often in morning business in which to give them, so I have combined several topics here in a single presentation on a Monday afternoon.

I thank the Chair for his attention. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. FORD. Mr. President, I understand that the distinguished Senator from North Dakota [Mr. DORGAN], has the balance of the time of 15 minutes. I ask unanimous consent that I have a portion of his time, if not all of it.

The PRESIDING OFFICER. The Senator from North Dakota, by previous order, was to be recognized for up to 15 minutes.

Without objection, the Senator from Kentucky is recognized.

DOT INSPECTOR GENERAL REPORT CONCLUDES NO WRONGDOING

Mr. FORD. Mr. President, earlier this year newspaper reports detailed allegations that FAA personnel may have withheld or destroyed documents to avoid the public release of information embarrassing to our colleague and Democratic leader DASCHLE and Deputy Administrator Linda Daschle, his wife.

Shortly after there appeared further allegations that Mrs. Daschle may have violated the terms of her recusal at the FAA by involving herself in the agency's consideration of certain policy proposals by the leader for the consolidation of air charter inspections.

The distinguished chairman of the Senate Subcommittee on Aviation, Senator MCCAIN, requested a full investigation of these allegations by the Department of Transportation office of inspector general.

Senator DASCHLE supported that request because he felt the allegations needed a thorough inquiry.

Last Thursday, after an exhaustive investigation of 7 months, the inspector general released his report finding no basis in fact for these allegations.

Mr. President, whenever allegations originally are carried in the press with great fanfare, are investigated and found to be groundless, fairness to all concerned requires that we take the same notice of the resolution as we did the original charge.

Mr. President, let me read just one paragraph from the inspector general's report as it relates to these allegations. I think it says it all.

This investigation disclosed no evidence to substantiate that documents were destroyed as alleged. Nor did this investigation disclose evidence to substantiate that Deputy Administrator Daschle violated her recusal. Accordingly, it is recommended that this investigation be closed.

For the benefit of those who may have missed the stories in Saturday's newspapers, Mr. President, I ask unanimous consent that the report of the inspector general be printed in the RECORD.

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

[From the Department of Transportation, Office of Inspector General]

REPORT OF INVESTIGATION—ALLEGED DESTRUCTION OF FAA DOCUMENTS CONCERNING B&L AVIATION

I. PREDICATION

This investigation was predicated on a letter from Senator John McCAIN to Inspector General A. Mary SCHIAVO dated February 8, 1995, requesting an investigation into allegations raised by Gary M. BAXTER, Aviation Safety Inspector, Federal Aviation Administration (FAA), Great Lakes Regional Office, Des Plaines, Illinois. Senator McCAIN transmitted a letter which BAXTER wrote to Senator Larry PRESSLER dated January 3, 1995, containing four separate allegations, one of which alleged destruction of records. On February 3, 1995, FAA Administrator David HINSON also referred the allegation of record destruction to the OIG requesting an investigation.

BAXTER alleged that unspecified FAA documents were destroyed by FAA personnel during the processing of a request for documents under the Freedom of Information Act (FOIA). The FOIA request was made by Attorney Matthew MALONEY in April 1994, seeking records pertaining to B&L AVIATION (B&L) of Rapid City, South Dakota. MALONEY represents the families of two of the victims of a February 1994, crash of a B&L aircraft in North Dakota. Essentially, BAXTER alleged that documents were destroyed because the public release of those documents may be embarrassing to Senator Tom DASCHLE of South Dakota and his wife, Linda DASCHLE, who is Deputy Administrator of the FAA.

Linda DASCHLE was nominated FAA Deputy Administrator by the President on November 19, 1993, and confirmed by the Senate on November 20, 1993. At the outset of our investigation, Deputy Administrator DASCHLE disclosed to the OIG that in the summer of 1994, she had selected an FAA employee from Rapid City, South Dakota, to temporarily serve on her immediate staff. This disclosure raised issues concerning Deputy Administrator DASCHLE's recusal from matters involving her husband because the employee had been directly involved in working with Senator DASCHLE's staff during 1993 and 1994 on the issue of consolidated inspections.

II. BACKGROUND

On February 24, 1994, a plane owned and operated by B&L, crashed in Minot, North Dakota. The crash killed everyone on board, including a B&L pilot and three Indian Health Service doctors. The investigation by the National Transportation Safety Board (NTSB) cited both pilot error and poor weather conditions as factors contributing to the crash.

B&L was established in 1968 by Mr. Merl BELLEW and a former partner. The company consists of an air taxi operation, a repair station, and a pilot school. It employs approximately eight individuals and owns and operates approximately 20 small aircraft. B&L is an authorized FAA air taxi operation, in accordance with 14 CFR Part 135. As such, it is required to undergo bi-annual inspections by the FAA in order to ensure its compliance with Federal Aviation Regulations (FARS). Additionally, B&L contracts with certain government agencies to provide various services. These agencies include the Department of Agriculture (USDA), U.S. Forest Service (USFS) and the Department of Interior (DOI), Bureau of Indian Affairs (BIA).[1] Unlike the FAA which inspects for compliance with the FARS, these agencies inspect for compliance with contract specifications once a year.

Over the past 10 years, Senator DASCHLE has performed constituent services on behalf of B&L which involved contacts by Senator DASCHLE and his staff with officials of the FAA. The most significant area of constituent service involved the issue of consolidated inspections for aviation charter operations.

In 1992, BELLEW personally raised the issue of consolidating aviation inspections to Senator DASCHLE. B&L voiced concern over alleged redundant inspections conducted by the FAA and the USFS. This prompted the Senator to become involved on behalf of his constituent. Between June 1992, and April 1994, Senator DASCHLE and his staff pursued the issue of consolidating aviation inspections through meetings and correspondence with the FAA and the USFS.

Senator DASCHLE ultimately introduced an amendment to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 transferring USDA aviation inspection authority to the FAA. The amendment was unanimously adopted by the Senate but resulted in compromise legislation based on questions raised by Congressman Charlie ROSE. The compromise legislation required a study be performed by a joint FAA/USDA review committee. In its report, dated May 1995, and signed by the Secretaries of Agriculture and Transportation on July 31, 1995, the committee concluded that ''Alternate 1 [i.e., the current system] was the only alternative which fully satisfied the mission preparedeness and safety oversight criteria contained in the Act.''

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Footnotes at end of article.

By letter dated August 8, 1995, Senator DASCHLE requested that the Government Accounting Office (GAO) review the results of that study and address nine specific questions concerning the issue of consolidating inspections, leaving the issue unresolved. The merits of Senator DASCHLE's proposal were beyond the scope of this investigation.

Our investigation identified issues beyond the scope of the alleged destruction of documents and the related issue of Deputy Administrator DASCHLE's recusal. These issues are being resolved through a separate inquiry by the OIG.

III. JURISDICTION

The Office of Inspector General (OIG) for the Department of Transportation (DOT) was created under the Inspector General Act of 1978 (P.L. No. 95–452). Under the Act, the OIG has broad authority to conduct audits and investigations concerning the programs and operations of the DOT. The DOT is comprised of 10 Operating Adminsitrations including the FAA. In conducting investigations under the Act, determinations are made concerning investigative authority. The following jurisdictional determinations were made in this case:

1. The allegation concerning the alleged destruction of FAA documents was made by an FAA employee and concerned several aspects of the programs and operations of the FAA including the FAA's regulatory oversight of B&L. OIG determined that investigative authority over alleged destruction of FAA documents, is within the jurisdiction of the OIG. OIG also determined that investigative authority over the FAA's regulatory oversight of B&L is within the jurisdiction of the OIG.

2. An issue was also presented concerning the recusal of FAA Deputy Administrator Linda DASHCLE. On February 6, 1995, Deputy Administrative DASCHLE disclosed to OIG that she had selected an FAA employee from Rapid City, South Dakota, to temporarily serve on her immediate staff. This employee had been directly involved in working with Senator DASHCLE's office on the proposal to consolidate aviation inspection. OIG determined that investigative authority over the Deputy Administrator's adherence to her recusal is within the jurisdiction of the OIG.

3. In many cases, issues are presented in which the investigative authority of the OIG overlaps with other investigative authority. For example, constituent service performed by a U.S. Senator and the programs and operations of the USFS are not within the jurisdiction of the DOT/OIG. The NTSB is independent of DOT and, therefore, is not subject to OIG audit or investigation. However, the Intersection between FAA employees and USFS personnel; the interaction between FAA employees and Senator DASCHLE and his staff; and the interaction between FAA and NTSB personnel were each relevant to the investigation of the alleged destruction of documents. Accordingly, OIG determined that investigative authority over these interactions is within the jurisdiction of the OIG.

IV. METHODOLOGY

The OIG staff conducted the following interviews: (1) Senator Tom DASCHLE; (2) Linda DASCHLE, the Deputy Administrator of the FAA; (3) A current and former member of Senator DASCHLE's staff; (4) FAA officials who interacted with the Deputy Administrator's office; (5) FAA officials involved in responding to the FOIA request; (6) FAA Aviation Safety Inspectors in Rapid City, South Dakota; (7) United States Forest Service personnel; and (8) Departmental and FAA ethics officials.

The OIG staff obtained and reviewed the following documents: (1) a copy of the documents submitted by the FAA to MALONEY in response to the FOIA request; (2) FAA files related to the FOIA request; (3) working files of those responsible to respond to the FOIA request; (4) documents requested from Senator DASCHLE's office; (5) Senator Hank BROWN's inquiry to the FAA pertaining to B&L, based on a letter from Bill DICKSON, Regional Aviation Officer, USFS, dated April 1984; and (6) documents pertaining to the recusal of the Deputy Administrator from FAA matters involving her husband and South Dakota.

The OIG staff obtained and reviewed the following reports: (1) the ''Statement of the Office of Senator Tom Daschle Regarding Consolidated Federal Air Charter Safety Inspections and Related Matters,'' issued on February 17, 1995, in response to media attention given to Senator DASCHLE's relationship with B&L; (2) NTSB Factual Report on the B&L crash, NTSB ID: CHI94GA093; (3) ''Boeing 757 Wake Turbulence, A Review of the Actions of the Federal Aviation Administration;'' (4) ''Interagency Aviation Inspections, A Joint USDA/DOT Study,'' Report to the United States Congress Pursuant to Section 306 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, P.L. 103–354.

V. INVESTIGATIVE RESULTS

A. Alleged destruction of documents

1. Synopsis

We investigated the alleged destruction of documents related to the April 1994, FOIA request pertaining to the February 1994, crash of an aircraft owned and operated by B&L. The crash, which resulted in the death of three U.S. Department of Health and Human Services, Indian Health Service (IHS) doctors, and a pilot employed by B&L, occurred while B&L was performing services under an IHS contract.

We concluded that no documents were destroyed. However, we confirmed that FAA withheld certain documents. The FAA transmittal of documents to MALONEY indicates that some documents were withheld ''for legal review'' but fails to appropriately cite applicable exemptions and fails to reference the scope of the documents withheld, thereby denying the requester the right to appeal under the FOIA. The documents withheld primarily consisted of B&L company manuals which may have been withheld under FOIA exemption four, Title 5 U.S.C. §552(b)(4). This exemption allows for the withholding of privileged or confidential commercial information. Nonetheless, the FAA was required to specify this in the response to MALONEY, which was not done. We attribute this to carelessness and a significant lack of procedures in the FAA for handling FOIA requests. We also identified three sets of circumstances which resulted in BAXTER's suspicions that documents were being destroyed. Details surrounding those circumstances are provided below.

Our conclusions regarding a lack of proper procedures for handling FOIA requests parallel the findings contained in a report by the Department of Transportation's General Counsel and the FAA Deputy Administrator in July 1994, concerning a FOIA request on the Boeing 757 Wake Turbulence issue. We confirmed that the FAA has taken corrective actions in response to that report, the report had not been issued and the corrective actions were not yet in place at the time of the MALONEY FOIA request.

2. Background

The statutes and regulations applicable to this matter include: Title 5 U.S.C., Section 552, the Freedom of Information Act; Title 49 C.F.R., Part 7; FAA Order 1200.3, Public Availability of Information; and Title 18 U.S.C. 2071, Concealment, removal, or mutilation of records and reports.

Gary M. BAXTER, Aviation Safety Inspector, FAA, Great Lakes Region (GLR), was the Staff Specialist assigned to handle B&L FOIA requests. By letter, dated January 3, 1995, to Senator Larry PRESSLER, BAXTER alleged that documents which were releasable under the FOIA were improperly withheld or destroyed. The FOIA request in question, dated April 27, 1994, was filed with the FAA by Matthew MALONEY, Attorney, SHERMAN, MEEHAN & CURTIN, P.C., Washington, D.C. The FOIA request was for documents in the custody of the FAA pertaining to B&L, an FAA certified air taxi operation. The request listed nine categories of documents including ''all data or information in the custody of the FAA received from any government agency or official, including elected officials.''

On May 5, 1994, BAXTER forwarded the FOIA request to Cathy JONES, Manager, FAA, Flight Standards District Office (FSDO), Rapid City, South Dakota, the office responsible for B&L's certification. JONES directed her staff in the FSDO to gather all B&L related documents and provide them to her. On May 12, 1994, BAXTER verbally advised JONES she did not have to provide: national database information; her notes notifying her employees of the B&L accident; her instructions to her employees about gathering information to assist the NTSB; and documents relating to B&L's pilot school and repair station. Nonetheless, JONES decided to only segregate her notes and the national database printout. Our inquiry disclosed that JONES sent all other documents, including the pilot school and repair station records, to BAXTER.

In his letter to Senator PRESSLER, BAXTER stated: ''She [JONES] told me that the Division Manager of Flight Standards Division had told her to destroy some parts of B&L's Operator File because of Senator DASCHLE's intervention on behalf of his wifes [sic] (Linda DASCHLE #2 in the FAAs) friend Mr. Merl BELLEW, (Owner of B&L Aviation). She went on to say that she did get rid of some of the documents but forgot exactly what other parts she was told to destroy.''

3. Circumstances which raised suspicions about documents

Our inquiry disclosed no evidence that David HANLEY, Division Manager, FAA GLR, or JONES, destroyed or withheld documents in response to the FOIA request. Additionally, HANLEY did not instruct JONES to destroy or withhold any documents pertaining to the FOIA request. JONES and HANLEY each provided sworn affidavits denying the allegations. However, the inquiry disclosed that three sets of circumstances involving the FAA's handling of documents contributed to the basis for questions raised by BAXTER concerning the response to the request.

a. The Bown memorandum

The first circumstances involves a misinterpretation of instructions from JONES to BAXTER. On May 13, 1994, JONES called BAXTER to advise she was sending the FOIA package to him. During that conversation, JONES suggested to BAXTER that HANLEY review the documents. JONES wanted the package of documents reviewed because it contained an unedited draft memorandum of a meeting between Richard BOWN, Operations Unit Supervisor, Rapid City FSDO, and William DICKSON, Regional Aviation Officer, United States Forest Service (USFS), Lakewood, Colorado. At the time of its original preparation, in December 1993, two paragraphs from the draft version were

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edited out before the memorandum was finalized. This editing was done at the direction of HANLEY because he viewed these paragraphs as containing BOWN's opinions. OIG's review of the draft memorandum disclosed that BOWN's opinion supported the consolidation of inspections. The final version of the memorandum was sent to Senator DASCHLE's staff by BOWN at the request of Senator DASCHLE. Because the draft memorandum differed from the final version, JONES was unsure whether the release of the document under the FOIA request was appropriate and wanted HANLEY to review the document.

Our inquiry disclosed JONES affixed a yellow post-it note to the package of documents which indicated HANLEY needed to review the package containing the draft memorandum described above. Despite written and verbal requests from JONES to BAXTER for HANLEY to review the documents, BAXTER did not follow through on JONES' request and HANLEY never saw the documents. The FOIA response was signed out by [deleted] Flight Standards Division, FAA GLR, for HANLEY on July 14, 1994.

b. The package of Forest Service documents

The second circumstance which contributed to BAXTER's suspicion involves a package of 61 pages of USFS documents pertaining to B&L, which were received by BAXTER from JONES in response to a subsequent B&L FOIA request in December 1994. During an interview, BAXTER told the OIG these documents raised concern on his part because he did not receive them from JONES during his processing of the earlier MALONEY request and because one document in particular was titled ''Response to DASCHLE Squeeze.''

We have reviewed the documents in question. They contain information pertaining to USFS inspections which were critical of B&L, and USFS opinions of the FAA which were also critical. The documents also detail efforts by Senator DASCHLE's office to have the USFS relinquish its inspection authority. However, our investigation disclosed that at the time the FAA responded to the MALONEY FOIA request in July 1994, the FAA was not in possession of these documents. The FAA did not receive these documents until September 1994, when they arrived in the Rapid City FSDO. The documents were sent to Rapid City by an air safety investigator, National Transportation Safety Board (NTSB). An interview of the NTSB investigator disclosed that the documents received were from an attorney (name unrecalled by the NTSB investigator). The investigator told the OIG that since the accident investigation of the B&L aircraft that crashed in February 1994, had been concluded, the documents were of no further use and were forwarded to the Rapid City FSDO.

c. Documents withheld for further legal review

The third circumstance involves 28 pages that were initially withheld in July 1994, under the MALONEY FOIA request. These documents contained, among other things, information relating to the FAA's interaction with Senator DASCHLE's office and USFS inspections of B&L. In November 1994, MALONEY inquired as to the disposition of the documents. BAXTER became suspicious of the way these documents were handled when he inquired with the Office of Assistant Chief Counsel (OACC), GLR, and learned they had misplaced the documents. Upon receipt of a second copy of the documents from BAXTER, OACC eventually approved their release.

In a cover letter sent with the initial release of documents to MALONEY, dated July 14, 1994, the FAA GLR indicated that they released 615 pages in response to the FOIA request. They advised MALONEY that ''the Great Lakes Assistant Chief Counsel is currently reviewing a small number of pages. This office will respond to you regarding the additional information as soon as it has been cleared.'' Our interview with the GLR Assistant Chief Counsel's Office disclosed they misplaced the documents in question, and, therefore, forgot to review them. Our investigation disclosed OACC never located their original copy of the pages but obtained a second copy from BAXTER. Following a subsequent written request by MALONEY in December 1994, these additional pages were reviewed and released.

4. OIG's analysis of FAA's FOIA response

Our investigation disclosed that the FAA maintained no record of the documents released nor did they maintain an exact duplicate set of the documents produced in response to the MALONEY FOIA request. Instead the investigation disclosed the FAA lacked proper procedural guidelines in handling FOIA requests as described below. As part of our inquiry, we obtained from MALONEY a copy of all documents he received in response to his FOIA request. We also obtained a copy of the documents from the FAA, Office of Public Affairs (OPA), for comparison purposes.[4]

The documents sent to OPA were prepared by [deleted] FAA, GLR, on February 7, 1995. As part of that process, [deleted] told the OIG [deleted] created a handwritten index of items sent and withheld under the MALONEY FOIA request.[5]

The handwritten index reads as follows:

	616 Pages
Items sent to APA [sic]	
1. Provided to RAP FSDO by USFS on 9–23–92	13
2. Letter from Sen. DASCHLE to Administrator	89
3. Follow up Action by PMI	32
4. Repair Station File	45
5. DME File	17
6. Current 135 File	276
7. Archived 135 File	144
Total	616
Items not sent	
1. Accident Prevention Counselor File	23
2. Written Test Examiner File	52
3. Pilot School File	93
4. IA File	18
Total	186

The index identified seven groups of records sent to MALONEY (616 pages) and four groups withheld (186 pages). Individual documents were not identified with either group.[6]

Our analysis determined the following discrepancies:

1. The items indicated on the index as ''Items not sent'' were, in fact, sent to MALONEY in July 1994.

2. The ''Accident Prevention Counselor File'' identified as Item (1) in the ''Items not sent'' section consisted of five pages, not 23 as indicated. We determined this through interviews and a review of the original file at GLR.

3. The ''Repair Station File'' identified as Item (4) in the ''Items sent to APA'' section was, in fact, not sent to MALONEY. The file consisted of the company manual and related documents.

4. The ''Current 135 File'' identified as Item (6) in the ''Items sent to APA'' section consisted of 275 pages. However, MALONEY only received 124 pages. The 151 pages not received were the ''B&L Aviation Company Manual.''[7]

5. The ''Provided to RAP FSDO by USFS on 9–23–93'' group of documents identified as Item (1) in the ''Items sent to APA'' section consisted of 23 pages. MALONEY received only nine of these pages. The remaining four pages, which were USFS documents, were not sent.

In addition, we compared the pages withheld for legal review by the OACC with the documents initially received by MALONEY. The comparison disclosed that in the original response to the FOIA request, MALONEY, in fact, received all of the substantive documents. Therefore, MALONEY received the documents twice, in July 1994, and December 1994. This contradicts FAA GLR's assertion that the documents were ''withheld'' by OACC.

5. Senator Daschle's interaction with the FAA

We examined the official activities of FAA personnel in connection with B&L during the period 1985 to 1995, including the issue of consolidating aviation inspections of air charter companies. This examination also included a review of documents provided by Senator Daschle's office in response to our request. We also interviewed Senator Daschle and current and former members of his staff. These investigative steps were necessary in order to identify documents generated in connection with Senator Daschle's interaction with the FAA and thus identify the universe of documents which may have been the subject of the alleged destruction.

The investigation disclosed three pertinent areas of constituent service performed by Senator Daschle involving B&L, during the period 1985 to 1995. In each case, Senator Daschle's efforts were in response to complaints about specific government aviation inspectors or inspection processes. The most significant area involves the issue of consolidating aviation inspections. Our examination of documents provided by Senator Daschle's office disclosed no documents which may have been the subject of destruction by FAA employees.

6. Conclusion

As stated above, our inquiry disclosed no evidence that David Hanley, Division Manager, FAA, GLR, or Jones, destroyed or withheld documents in response to the FOIA request. Additionally, Hanley did not instruct Jones to destroy or withhold any documents pertaining to the FOIA request. Jones and Hanley each provided sworn affidavits denying the allegations.

Our inquiry concluded that the FAA GLR's procedures for processing FOIA requests were careless and haphazard at best. The procedures followed by the GLR were vague and did not require accountability for what documents were sent, or not sent, to the requester. Because accountability records were not maintained, the FAA was unable to provide an accurate description of which documents had and had not been sent to Maloney. The FAA GLR was unable to recreate the B&L FOIA file as it existed at the time they responded to Maloney's request. In addition, the FAA GLR did not follow proper procedures by its failure to: (1) notify the requester in writing that documents were withheld; (2) cite a FOIA exemption which justifies the withholding of documents; and (3) set forth the names and titles of each person responsible for a denial of records.

A comparison of the records obtained by the OIG from OPA with the records obtained from Maloney disclosed the FAA GLR improperly withheld 200 pages of documents from Maloney. The FAA failed to notify Maloney that documents were withheld and, therefore, did not afford Maloney the opportunity to appeal the withholding. Of the 200 pages, 151 pages were composed of the ''B&L Aviation Company Manual'' and 45 pages were B&L's ''Repair Station File'', which consists of the repair station manual and related certifications. The remaining four

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pages were generated by the USFS and pertained to their inspections of B&L. The company manuals may be protected under exemption four of the FOIA, which protects ''trade secrets and commercial or financial information obtained from a person and privileged or confidential'' information.[8] No explanation can be given for the withholding of the remaining four pages.

Our inquiry disclosed that the cited deficiencies on the part of the FAA GLR in processing FOIA requests reflect an agency-wide lack of procedures in the FAA. Further evidence of the agency's lack of procedural safeguards for the processing of FOIA requests is included in a report, dated July 28, 1994, prepared by the General Counsel of the Department of Transportation and the FAA Deputy Administrator, submitted to Secretary Federico Pena and Administrator David Hinson, pertaining to the review of the FAA's response to a FOIA request regarding the B757 wake vortex. The report cited national problems including: a lack of sufficient resources and attention on the FOIA function; no restriction on who may be asked to process FOIA requests; and, inadequate searches for documents. Due to the inadequacies of the FAA in dealing with FOIA requests, the report recommended the following: ''(1) The FAA Administrator should give consideration to enhancing organizational responsibility and accountability for FOIA responses. (2) The Administrator should give serious consideration to establishing an FOIA office within the FAA Office of Public Affairs. (3) There appears to be a real need for FOIA training that focuses on the procedural requirements of the FOIA as well as the substantive exemptions.[9]''

Our inquiry disclosed that the FOIA request regarding the B757 wake vortex was received by the FAA on December 27, 1993, and responded to on February 10, 1994, approximately three months before the MALONEY FOIA request was received by the FAA GLR. Additionally, our inquiry disclosed by the time the report regarding the FAA's response to the B757 wake vortex FOIA was issued on July 26, 1994, the FAA GLR had already submitted its first response to MALONEY on July 14, 1994. Therefore, the corrective action suggested in the report submitted by the General Counsel of the Department of Transportation and the FAA Deputy Administrator was not in place at the time the FAA was responding to the MALONEY request.

On July 17, 1995, Administrator HINSON forwarded to the OIG a summary of the FAA's ''FOIA Activities and Improvements,'' for the period September 1994 through June 1995. Administrator HINSON cited a number of agency-wide improvements including: the establishment of a national FOIA office in OPA; the development of a FOIA checklist; and the installation of a new automated headquarters FOIA tracking system.

B. The recusal of Linda DASCHLE, Deputy Administrator

1. Synopsis

We investigated a number of issues concerning Deputy Administrator DASCHLE's recusal from participating in certain matters before the Department. The primary issue concerned her selection of an FAA Aviation Safety Inspector (ASI) from Rapid City, South Dakota, to temporarily serve on her immediate staff. The ASI was directly involved in the consolidation of inspection issue during 1993 and 1994, including direct contacts with Senate DASCHLE's staff. The ASI also has supervisory duties pertaining to FAA inspections of B&L, and had personally met Senator DASCHLE. Other issues concerned reports that Deputy Administrator DASCHLE and her staff had discussions and contacts concerning the issue of consolidated inspections. We also examined the failure of Deputy Administrator DASCHLE to document her recusal until a year after her appointment.

We concluded that Deputy Administrator DASCHLE did not violate her recusal. We found that Deputy Administrator DASCHLE refrained from discussing the consolidated inspection issue or otherwise participating in the issue of consolidated inspections. Deputy Administrator DASCHLE told the OIG that she had been unaware of the ASI's involvement in the consolidated inspection issue. She does not consider her selection of the ASI to contradict her recusal but told the OIG that had she known beforehand about the ASI's involvement she would not have made the selection. We find her position on this issue to be credible.

We confirmed that Deputy Administrator DASCHLE did not discuss the consolidated inspection issue with a USDA official who contacted her. We reviewed the federal regulations governing such matters. We also consulted with DOT and FAA ethics officials. We concluded that no requirement existed that Deputy Administrator DASCHLE file a written disqualification (i.e., recusal).

2. Background

As part of our inquiry, we examined the recusal of Linda DASCHLE from all FAA matters involving her husband. We examined this issue based on the self-disclosure made by Deputy Administrator DASCHLE to Inspector General A. Mary SCHIAVO and Deputy Inspector General Mario A. LAURO, Jr. on February 6, 1995. During that meeting, Deputy Administrator DASCHLE advised of her selection of Richard BOWN for a temporary detail as her special assistant in the Summer 1994. A controversy arose concerning BOWN's selection to work on Deputy Administrator DASCHLE's immediate staff because of his previous involvement with the USFA on the consolidated inspection issue. Deputy Administrator DASCHLE advised Inspector General SCHIAVO and Deputy Inspector General LAURO that during his detail to her immediate staff, BOWN had documents in his possession in FAA headquarters relating to the duplicate inspection issue which he offered to show her. She refused to review them and informed BOWN of her recusal.[10]

3. The selection of BOWN to the Deputy Administrator's staff

Our inquiry disclosed Deputy Administrator DASCHLE attempted to personally call BOWN to invite him to a breakfast meeting she was hosting in Sioux Falls, South Dakota, on June 25, 1994. Deputy Administrator DASCHLE was unable to reach BOWN and made the invitation through BOWN's supervisor, who also attended. The meeting consisted of FAA management employees from South Dakota. During this meeting, Deputy Administrator DASCHLE and BOWN met face to face for the first time. At the conclusion of the meeting, Deputy Administrator DASCHLE related to BOWN that she was interested in detailing a pilot/safety inspector to Washington for a temporary period in order to enhance her goal of bringing field experience to her staff.

Subsequent to this conversation, Deputy Administrator DASCHLE and BOWN engaged in approximately one to two telephone conversations during which she asked him to accept a temporary detail as her special assistant, and defined to BOWN what his responsibility would be. By August 1994, BOWN had agreed to accept a 90 day detail to Washington D.C. BOWN, a GS–14, was temporarily paid at the GS–15 level, which according to Deputy Administrator DASCHLE is standard pay for her special assistants.

Our interview of Deputy Administrator DASCHLE disclosed that she did not contact JONES, BOWN's supervisor, about his qualifications nor did she examine BOWN's personnel file for information about his employment history. Deputy Administrator DASCHLE indicated she selected BOWN for the following reasons: 1) she was impressed by BOWN because of his participation during the June 25, 1994, breakfast meeting; and, (2) her husband's statements to her regarding his knowledge of BOWN.

Deputy Administrator DASCHLE indicated BOWN was very vocal during the breakfast meeting as he was very willing to speak out candidly about his critical feelings involving FAA leadership in headquarters. Regarding Senator DASCHLE's comments about BOWN, Deputy Administrator DASCHLE stated her husband related to her he knew BOWN through his (the Senator's) involvement in the aviation community in South Dakota.[11] Deputy Administrator DASCHLE stated her husband never specifically recommended or suggested she select BOWN but only related he was impressed by BOWN and other employees in the Rapid City FSDO. According to Deputy Administrator DASCHLE, the Senator characterized the employees in that office as ''good people.''

During our interview of the Senator, he stated he advised Deputy Administrator DASCHLE that he had heard of BOWN. He disclosed to us he has met BOWN on three or four occasions, the first time occurring several years ago. Their contact has been very limited, and he does not believe he would recognize BOWN if he saw him. The Senator stated he did not connect BOWN with the consolidated inspection issue and was not sure at what point he knew of BOWN's involvement in the issue. The Senator was ''almost positive'' Deputy Administrator DASCHLE had no knowledge of BOWN's involvement.

[deleted] Assistant to Senator DASCHLE, told the OIG that [deleted] never discussed BOWN'S involvement in the consolidated inspection issue with Deputy Administrator DASCHLE. [deleted] communicated with BOWN several times each week while working on the issue, but [deleted] never suggested to Senator DASCHLE that BOWN be rewarded for his efforts. [deleted] did not know how BOWN was selected for the temporary position with Deputy Administrator DASCHLE, and [deleted] stated that [deleted] did not communicate with BOWN on the consolidated inspection issue while BOWN was assigned to Deputy Administrator DASCHLE's staff. [deleted] was aware of Deputy Administrator DASCHLE's recusal policy.

Deputy Administrator DASCHLE stated she did not become aware of BOWN's involvement with her husband in the consolidated inspection issue until September 1994, when BOWN arrived in Washington. She and Senator DASCHLE each told the OIG they never discussed BOWN's involvement in the consolidated inspection issue. In fact, Deputy Administrator DASCHLE stated she did not become aware of her husband's involvement in the issue until the Spring 1994, when she received a telephone call from James R. LYONS, Assistant Secretary, Natural Resources and Environment, USDA, soliciting her involvement in the consolidated inspection matter. Deputy Administrator DASCHLE stated that when informed during the telephone call of her husband's interest in the issue, she immediately informed LYONS of her recusal and terminated the conversation. We confirmed this with LYONS.

When BOWN began his detail in September of 1994, he advised Deputy Administrator

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DASCHLE he had brought with him a package of USFS documents relating to B&L.[12] Many of these documents made reference to Senator DASCHLE and his involvement in the duplicate inspection issue. Deputy Administrator DASCHLE stated BOWN never showed her the documents but just wanted her to be aware that he had them. Due to the nature of the documents, Deputy Administrator DASCHLE advised BOWN he should not have the documents in the office due to her recusal from matters involving her husband. The Senator stated Deputy Administrator DASCHLE advised him of the incident involving the documents.

4. Deputy Administrator DASCHLE's recusal

The applicable regulations governing recusals is found at 5 CFR Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch. Specifically, Subpart E, ''Impartiality in Performing Official Duties,'' Section 2835.502 states, in part: ''Where an employee knows that a particular matter involving specific parties in likely to have a direct and predictable effect on the financial interest of a member of his household, or knows that a person with whom he has a covered relationship is or represents a party to such matter, and where the employee determines that the circumstances would cause a reasonable person with knowledge of the relevant facts to question his impartiality in the matter, the employee should not participate in the matter. . .''

In addition to the regulation, [deleted] General Law Branch, FAA, advised the OIG that the FAA follows an unwritten policy that an employee must recuse himself or herself from all matters, not just financial matters, with which he or she has a conflict of interest.

Deputy Administrator DASCHLE stated that from the outset of her appointment in November 1993, she recused herself from all matters with which her husband has a specific interest. Our inquiry disclosed Deputy Administrator DASCHLE did not officially circulate anything in writing to her staff regarding her recusal although she indicated she verbally advised her staff of her recusal. Senator DASCHLE and Deputy Administrator DASCHLE told the OIG that her recusal policy does not prevent her from generally knowing about certain issues such as the consolidated inspection matter, but from acting on them. We confirmed this with the Department's ethics attorney.

In her first memorandum memorializing her recusal, dated November 18, 1994, (one year after her appointment) Deputy Administrator DASCHLE stated, in part, ''As you are aware, upon assuming the position of Deputy Administrator, I recused myself from participation in all DOT/FAA matters in which my husband, Senator Thomas Daschle, has had a role.'' Then, on advice of FAA Counsel, she revised her recusal due to the election of her husband to Senate Minority Leader. Her revised recusal, dated January 19, 1995, states, in part, ''Because my husband represents the State of South Dakota in the United States Senate, I have disqualified myself from participating in any [emphasis added] particular matter that would have a direct and predictable effect on that State. . .''

Deputy Administrator DASCHLE maintained she had no conversations with her staff members regarding the consolidated inspection issue nor did she discuss the issue during the June 1994, breakfast meeting she attended in Sioux Falls. However, during one interview of an FAA official, it was alleged to the OIG that [deleted] FAA, had conversations with Deputy Administrator DASCHLE about the consolidated inspection issue. Allegedly, [deleted] received a directive from Deputy Administrator DASCHLE to settle the USFS matter and subsequently conveyed this to a senior staff member. In a sworn statement, [deleted] indicated, ''. . . I have made statements on DASCHLE wanting issues resolved. In such cases, I was making reference to Senator Tom DASCHLE.''

5. Deputy Administrator DASCHLE and B&L

Deputy Administrator DASCHLE told the OIG she has taken flights on B&L aircraft since her appointment as Deputy Administrator. According to Deputy Administrator DASCHLE, these flights were with her husband on his official business and were either paid for out of personal funds or campaign funds. Deputy Administrator DASCHLE has not utilized B&L aircraft in her capacity as Deputy Administrator.

Deputy Administrator DASCHLE and BELLEW have known each other for approximately 14 years. She met BELLEW in 1981 while she was working for the Civil Aeronautics Board. Deputy Administrator DASCHLE stated she has never intervened on behalf of B&L in any FAA matter and, further, was never approached by BELLEW in an attempt to solicit her intervention. In addition, no documentation was discovered which suggested that Deputy Administrator DASCHLE intervened with respect to the consolidated inspection issue or with regard to B&L.

An additional allegation was raised during our inquiry that Deputy Administrator DASCHLE dispatched an accident investigation team from Washington D.C. to investigate the crash of a B&L aircraft that occurred on February 24, 1994. The dispatch of a headquarters team deviates from standard practice of local investigative teams conducting crash investigations in their immediate area. The allegation was not substantiated. Deputy Administrator DASCHLE and Senator DASCHLE both deny any involvement in sending an accident investigation team from FAA headquarters. An interview of an FAA official involved in the accident investigation disclosed that certain characteristics of the flight, the operator, and of those individuals killed in the crash prompted the FAA headquarters Accident Investigation Division's involvement.

VI. RECOMMENDATIONS

1. This investigation disclosed no evidence to substantiate that documents were destroyed as alleged. Nor did this investigation disclose evidence to substantiate that Deputy Administrator DASCHLE violated her recusal. Accordingly, it is recommended that this investigation be closed.

2. This investigation disclosed that at the time of the subject FOIA request, FAA lacked sufficient internal procedures and safeguards concerning the processing of FOIA requests. The investigation disclosed improvements have since been made in response to recommendations from a previous Departmental review. It is recommended that FAA Administrator HINSON continue to monitor the FAA's FOIA activities and improvements. In addition, the OIG will include in its FY 1997 annual planning, a Department-wide review of FOIA procedures.

FOOTNOTES

[1] In April 1995, press reports indicated the USFS no longer contracts with B&L. OIG confirmed with the USFS that all approvals of B&L have expired and a decision was made not to renew approvals at this time.

[2] The GLR received five FOIA requests pertaining to B&L.

[3] BAXTER informed JONES that the national database information would be obtained from the FAA, Mike Monroney Aeronautical Center in Oklahoma City, Oklahoma.

[4] On February 7, 1995, as a result of media interest in the case, the OPA requested from GLR a copy of all documents sent to MALONEY.

[5] The index, created months after the fact, is the only record we found which itemizes, in any way, the FAA's response to the MALONEY FOIA request.

[6] A review of the documents within each group disclosed that each index category was labeled according to the top document in that grouping and, according to [deleted] does not mean that all documents in that group are appropriately described. For example, Item 2 in ''Items sent to APA'' reflects 89 pages of a letter from Senator DASCHLE. The letter was actually one page. The other documents in this group were unrelated to this letter.

[7] The FAA did not create a record or otherwise justify withholding these documents or any other documents under a FOIA exemption in reference to the MALONEY request. The FOIA regulations require that the requester be notified of his right ''to appeal to the head of the agency any adverse determination.'' The regulations further state that ''any notification of denial of any request for records . . . shall set forth the names and titles or positions of each person responsible for the denial of such request.''

[8] Reference The Freedom of Information Act, 5 U.S.C., Section 552(b)(4).

[9] See ''Boeing 757 Wake Turbulence, A Review of the Actions of the Federal Aviation Administration'' for more detailed information. The report also suggested preparing a FOIA Processing Checklist that could be attached to each FOIA request. Our inquiry disclosed that this recommendation has been implemented in the GLR.

[10] These documents are the same documents discussed in Section V(A)(3)(b) of this report, ''Circumstances Which Raised Suspicions about Documents.''

[11] Senator Tom DASCHLE is an FAA-certified pilot.

[12] During an interview of BOWN, he indicated he received the package of documents from an inspector in the Rapid City FSDO shortly after beginning his detail in Washington.

Mr. FORD. Mr. President, I have a footnote to these remarks. I have known TOM and Linda Daschle for a good many years now. In the position that Senator DASCHLE is in as leader of the Democratic minority here in the Senate, one of the attributes that Senator DASCHLE has is that he is straightforward, that he is honest, and he is of great character.

I have known his wife, Linda, now for a good many years, having dealt with her and the association she represented and now as Deputy Director of FAA. I do not think anyone that has known her would doubt her character. Being the daughter of a Baptist minister, the training that she received in her early years is still with her today.

Those who know them well believe that the allegations were not true, and I think our belief in this couple was vindicated by the report from the Inspector General of the Department of Transportation.

Mr. President, I felt it was incumbent upon me as a friend and as a part of this side of the aisle that these remarks be made for the record and the vindication of our good friends be noted in the RECORD.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

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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''.

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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, offsite 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.

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

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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.

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

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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 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, 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 orginally 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*

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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 TRENSFER 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 oterated 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. q437f(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 estaflished 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 CONTRIBUTIONS 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 remuneration 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 noncareer 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.W.C. 11302)) to independent living within 24 months, (iii) are suitable for occutancy, 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 public

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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 reconsidering 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 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;''.

(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

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(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 subsection (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.

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(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 authorizedrepresentatives 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:

''(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

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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''; and

(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

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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 subjection, 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 economic feasibility, 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 501c 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

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(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

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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 radionuclei: *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 further,* 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

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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] *$8,000,000* shall be available for administrative expenses: *Provided further,* That [$426,000] *$600,000* 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] *$15,000,000,* to be derived from the Oil Spill Liability trust fund, and to remain available until expended: *Provided,* That not more than [$8,420,000] *$8,000,000* 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 Water

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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 nonattainment 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 cooperating 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 radiological 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

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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 in vestment, unless an appropirations 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 Aeronauties 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

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 Development 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,

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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-festering 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

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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 mandate 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

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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 [LIHPRHA] 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

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disruption. There should be no confusion or doubt, however, that these reduction 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 enated—$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 demands 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 reoganization 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

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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 the

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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:

Federal Emergency Management Agency

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.

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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

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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 biological 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 this

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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 stoplight.

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 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.

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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

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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 shorterm 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.

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 form 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,

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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 state

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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 chrystallography 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

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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.

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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-dimensional 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 regimes 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 osteoporisis.

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 Szekely 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

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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

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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 investigations 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, gloveboxs, 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 opportunities 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 Rensselear 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.

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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 expecially 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 first-hand 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

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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 of 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 an 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

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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.

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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 responsible 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

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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 the

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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 reproductability of results.

Another quote:

The duration of experiments, the regime of parameters available to experimenters and the ability to demonstrate reproductability 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

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working families in the form of higher fees, increased interest rates, and an assault on the highly successful direct student loan program. Most surprising of all, this antitax Republican Congress is imposing an unprecedented new tax on Federal student loans.

If this student loan tax is enacted into law, colleges will be forced to pay the Federal Government nearly 1 percent of every dollar their students borrow for college—nearly $2 billion over the next 7 years. Universities facing tight funding will have no choice but to pass the tax on to students and parents in the form of higher tuition and fees or reduced student aid.

This tax falls especially hard on the vast majority of colleges with small or no endowments and large numbers of students on financial aid. Small liberal arts colleges, small religious colleges, many others, including Gordon College in Massachusetts, St. Mary's in Leavenworth, KS, Trinity College in Burlington, VT, Heritage College in Washington State, Ohio and Dominican College lack the resources to offset such blows to their budget.

At the University of Massachusetts, in Boston, a large urban university, with a diverse student body, half the students receive financial aid. This new tax would force the college to pay $174,000 a year to the Federal Government. If UMass-Boston wanted to shield its students from the cost, it would have no choice but to turn to the State for the money. Little wonder that the National Governors' Association has described this student loan tax as ''yet another unfunded mandate that is passed on to the States.''

I would point out that at the University of Massachusetts, in Boston, several years ago I had the opportunity to speak at the graduation. At that time, their tuition fees were $1,000; 85 percent of the students' parents never went to college; 85 percent of the students that were going to the University of Massachusetts, in Boston, were working 25 hours a week or more.

And the year or two after that, they raised the tuition another $100 and they lost about 10 percent of the new applicants. Just the $100 made a significant difference, the breaking point for many of these young men and women as well as those in their twenties and early thirties who were looking forward to going back to college to gain an excellent college education.

So, Mr. President, the National Governors' Association has described this student loan tax as yet another unfunded mandate that is passed on to the States.

We created the student loan program to make it easier for students from working families to attend college. If this provision stands, colleges will be penalized for admitting needy students.

And that's not all. Under the proposed legislation parents who take out PLUS loans to ease the financial burden on their children will have to pay higher interest rates for those loans. PLUS loans pay for college expenses, including tuition, room, board, and other fees. This provision falls hardest on the families who need the most help. PLUS loans are particularly crucial for working families who have not been able to save, or who do not own a home against which to take an equity loan.

The reconciliation package that Republicans unveiled at the beginning of the week cut back the interest-free grace period, during which students look for jobs after college, from 6 months to 4 months, imposing almost $1 billion in extra charges on students. This new proposal eliminates the grace period altogether, forcing students to pay almost $3 billion in additional interest over the next 7 years. A student who borrows the maximum over 4 years of college will be charged an extra $700 for the grace period alone.

That is if they borrow the money for college. If they borrow it for the graduate schools, it goes up to about $2,000 more.

Millions of students across the country will also lose the benefit of the direct student loan program. This proposal begins the process of dismantling direct lending. Direct lending will be capped at 20 percent of total student loan volume. Half of the 1,300 schools now in direct lending will be forced out of the program or forced to cut back on their direct lending volume by maintaining dual loan programs. This despite the fact that colleges in the program are overwhelming in their praise for direct lending, as we heard this spring at a hearing before this committee. Furthermore, even opponents of direct lending acknowledge that the program has brought healthy competition, lower costs, and better service to all students.

There is no justification for Congress to tilt the balance against direct lending in order to prop up the guaranteed loan program that fattens the profits of banks at the expenses of colleges and students. In addition, if honest accounting is used, it is clear that capping direct lending adds to the deficit instead of achieving savings. If the Republicans had inserted a fair scoring rule into the budget rather than one that favors the guaranteed loan program, CBO would be telling us today that capping direct lending at 20 percent would cost $1.8 billion over 7 years, instead of saving $600 million as Senator KASSEBAUM claims.

Common sense tells us that it is cheaper to loan money to students directly from the U.S. Treasury than to force students to go through banks as middlemen. In a letter to Senator ABRAHAM last June, Lawrence Lindsey, a Bush appointee to the Federal Reserve Board, said, ''As long as it is necessary to provide a profit to induce lenders to guarantee student loans, direct lending will be cheaper.''

We can meet our budget goals without cutting education, without burying college students under a higher mountain of debt. The Republican Congress has no business picking the pockets of students and working families to pay for tax cuts for the wealthy.

Mr. President, I will include in my statement an excellent letter that was sent to me, Senator KASSEBAUM, Congressman FORD, and Congressman GOODLING in May 1993. I ask unanimous consent that that and other material be printed in the RECORD.

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

CHARLES KOLB,
Alexandria, VA, May 25, 1993.

Hon. EDWARD M. KENNEDY,
Chair, Senate Labor and Human Resources Committee, Senate Russell Office Building, Washington, DC.

Hon. NANCY KASSEBAUM,
Ranking Minority Member, Senate Labor and Human Resources Committee, Dirksen Senate Office Building, Washington, DC.

Hon. WILLIAM FORD,
Chair, House Education and Labor Committee, Rayburn House Office Building, Washington, DC.

Hon. WILLIAM GOODLING,
Ranking Minority Member, House Education and Labor Committee, Rayburn House Office Building, Washington, DC.

DEAR MEMBERS OF CONGRESS: As Republicans who served under Presidents Ronald Reagan or George Bush, we believe that the time has come to restructure the federal guaranteed student loan (''GSL'') program—a program that has become overly complex, lacks accountability, and wastes taxpayers' dollars through needlessly high loan default rates.

We are writing to express our support for reforming the GSL program by replacing the existing system with a new direct loan program.

According to estimates prepared by the Department of Education (under both Presidents Bush and Clinton), the Congressional Budget Office, and the General Accounting Office, the new direct loan program will also result in significant annual budget savings that could be used for deficit reduction. Direct borrowing by the federal government to capitalize the direct loan program as a revolving fund will save on the current interest and special allowance subsidies now paid to banks and others while ensuring a more streamlined, efficient, and workable program that meets the needs of America's students. As such, a direct loan program offers a more cost-effective delivery system for providing student financial assistance.

Over the years, the guaranted student loan program has developed a degree of regulatory and administrative complexity that now undermines its fundamental integrity and effectiveness. Replacing the GSL structure with a streamlined structure will mean not only enhanced accountability and budget savings, but also a more rational delivery system that will particularly benefit students and educational institutions. In particular, we believe direct loans will also ensure greater responsibility and accountability by participating educational institutions.

A direct loan program will mean replacing the role currently played by many banks, guarantee agencies, and secondary markets with a much more competitive approach. The intent is not to harm these participants in the existing program but rather to recognize that more competitive, efficient, and

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practical ways exist to provide student loans. We hope that as the Congress considers direct loans it will look beyond the misleading information that is being spread by representatives of those entities who have a direct financial stake in preserving the status quo.

We believe that the Clinton administration has taken the correct position on this issue and urge the Congress to consider this much-needed reform of the student loan program. In fact, much of the initial work that led to the direct loan program currently under consideration was undertaken during the Bush administration. While a valuable direct loan pilot program was authorized last year, we regret that this work was not pursued more seriously and vigorously during last year's reauthorization of the Higher Education Act. Nonetheless, we hope that the Congress will act in a true bipartisan fashion to approve direct loans in order to bring sweeping and needed reform to the student aid delivery system.

Should bipartisanship not be possible, we call upon our fellow Republicans to unite behind the direct loan proposal and to show leadership in this and other efforts to reform government. We favor reforms that will ensure real value for the taxpayers' dollar, with government activity targeted to ensure more effective efforts delivered in ways that are accountable to the American people.

Sincerely yours,

Rich Bond, Former Chairman, Republican National Committee; Diana Culp Borx, Former Deputy General Counsel, U.S. Department of Education; James P. Pinkerton, Former Deputy Assistant to the President for Policy Planning; Carolynn Reid-Wallace, Former Assistant Secretary for Postsecondary Education, U.S. Department of Education; Nancy Mohr Kennedy, Former Assistant Secretary for Legislation and Congressional Affairs, U.S. Department of Education; Michael J. Horowitz, Former General Counsel, Office of Management and Budget; Charles E.M. Kolb, Former Deputy Assistant to the President for Domestic Policy; George A. Pieler, Former Acting Deputy Under Secretary for Planning, Budget and Evaluation, U.S. Department of Education.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
Washington, DC, June 9, 1995.

Hon. SPENCER ABRAHAM,
U.S. Senate,
Washington, DC.

DEAR SPENCE: I appreciate your kind note and understand the many conflicting and unexpected demands on your time. I hope we will have a chance to talk again soon. In the meantime, it was good to have an opportunity to meet with your staff.

I also wanted to take this opportunity to share with you my personal views about direct lending, largely from the perspective of an economist. First, the Bush Administration made credit reform a high priority and the Clinton Administration has since built upon that goal. Credit reform was designed, at the outset, to enable policymakers to look at the credit programs of the government in a defensible and comprehensive way. No particular program was singled out for special treatment. Embarking on policy changes that impact one program and do not apply the same requirements for all may not be consistent with sound public policy.

Second, a change in the credit reform treatment of student loans was included in the budget resolution in response to industry criticism regarding the calculation of administrative costs for student loans. Making the change the industry proposes without looking at other changes which might be necessary it problematic. For example, the use of the ten year treasury rate for estimating purposes when program costs are based on short term rates creates obvious inconsistencies. Further, the $2.3 billion in revenue loss that occurs through the use of tax exempt student loan bonds is not taken into account in estimating program costs.

To help clarify the effects of direct versus guaranteed lending, a couple of comparisons may be in order. The economic effect of both forms of loans is identical. They both divert private capital to carry out a government purpose. The aggregate amount of government borrowing is the same since student terms and conditions are identical. However, taxpayer cost is less for direct lending largely because the government can obtain capital less expensively through the sale of government securities than the market rates it must pay to support a system of loan guarantees. As long as it is necessary to provide a profit to induce lenders to guarantee student loans, direct lending will be cheaper.

Finally, direct lending may be the best way to involve the private sector in student loans. The loan capital for direct loans comes from the private sector and the administration of the program—servicing, computer support, etc.—is accomplished through competitive contracts with the private sector. This approach may be more accountable than the guarantee system which is based on government entitlement expenditures for guarantee agencies, secondary markets, and lenders.

Spence, I hope you find this helpful. I'd be glad to talk further with you about these issues. Good luck in the challenging days ahead.

Sincerely,

LARRY.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, September 19, 1995.

Hon. WILLIAM F. GOODLING,
Chairman, House Economic and Education Opportunities Committee, House of Representatives, Washington, DC.

DEAR CHAIRMAN GOODLING: The President asked me to respond to your September 12 letter, in which you objected to the way he had characterized Republican plans to make savings in the student loan programs. I am pleased to do so.

I believe that the President's statements were correct, based on oral and written statements that were made by Republican leaders, including yourself.

One of the savings proposed in your letter is to eliminate the Direct Student Loan program to save $1.5 billion. We strongly disagree with this policy. Direct lending works. Some 1,3000 schools are already in the program and hundreds more have already filed applications for the school year beginning July 1, 1996. Students and school administrators in the program are near-unanimous in their preference for direct lending.

The Education Department estimates that at least $1 billion of this $1.5 billion in savings that is attributable to direct lending comes not from repeal, but from simultaneously cutting funds available to monitor all student loan programs—a move that would put students at considerable risk in both loan programs. As the General Accounting Office has repeatedly observed, there are significant problems in the guaranteed loan program. This is due to its near-unmanageable statutory structure. Constant Federal oversight is essential.

The remainder of the $1.5 billion occurs under the special scoring rule for direct loans which the Budget Resolution directs the Congressional Budget Office (CBO) to use. This directive addressed the way the Federal Credit Reform Act (FCRA) requires the government to score the budgetary consequences of credit programs. That Act, which predated the enactment of direct lending, treats Federal administrative costs differently from other costs. Most, but not all, administrative costs in guaranteed lending are in the form of mandatory payments to banks, guaranty agencies and secondary markets. The FCRA includes these costs on a net present value basis in the guaranteed loan program subsidy.

In contrast, direct lending administration is primarily by Federal contract, so that taxpayers get the benefit of the lowest cost possible each year. The FCRA scores these costs outside of the direct lending subsidy. The combination of the structure of the two programs and the workings of the FCRA results in scoring direct lending as substantially less expensive than guaranteed lending.

The Budget Resolution instructed CBO to move scoring toward a more ''level playing field'' by scoring Federal administration in a manner similar to mandatory payments for administration in guaranteed lending. Unfortunately, the directive stopped there, and did not apply the same treatment to the remaining administrative costs of guaranteed lending. This results in artificially lower costs for guaranteed lending.

This Administration would be glad to join the Congress in a scoring rule change to level the playing field for student loan programs so that the administrative costs of both programs are treated in the identical manner. By doing this, we can take this technical scoring debate off the table, and debate the real benefits and costs of the two approaches to student loans.

When we look fairly at the two programs, we see that each provides loan capital to students, but the Direct Loan program does so with far greater ease of administration and far less complexity, and with additional benefits to students through flexible repayment options. Students get their funds with less government red tape, schools get simple administration and low administrative costs, students get better ways to pay their loans, and thousands of intermediaries and attendant complexities are eliminated. Under direct lending, banks, guaranty agencies, and secondary markets lose the billions they have been receiving from Federal subsidies and from excessive charges to students. Advances in technology have made direct lending the better deal for the taxpayer, without regard to technical scoring issues. That is what the public should hear in this debate.

In examining the remaining proposals you outlined, this Administration welcomes your willingness to take billions of dollars out of the excess profits of the guaranteed loan programs, and will support your efforts to reduce these federal costs. We further welcome your willingness to set aside most of your earlier plans to eliminate in-school interest subsidies for poor students. But we will oppose proposals that will eliminate or cap direct lending, or increase student costs.

With level playing field scoring, your proposals for eliminating profits from the guaranteed loan industry and a reasonable phase in path for direct lending, I can foresee the basis of an agreement that will result in reasonable levels of savings from the loan programs without hurting students.

The Administration looks forward to working with you in the weeks ahead.

Sincerely,

ALICE M. RIVLIN,
Director.

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SENATE REPUBLICAN RECONCILIATION PROPOSAL: FACT SHEET, SEPTEMBER 21, 1995

Proposed cut or fee	Dollars	Percent of total proposal
Cuts or fees which fall on students		
Imposes .85 percent new student loan tax	2 billion	18
Institutions pay new fee equal to .85% of school's annual federal loan volume, and payment to direct lending schools zeroed		
Raises interest rate on working families	1.5 billion	14
Increases interest rate on PLUS (parent) loans from 3.1% to 4%, increases cap on interest rate from 9% to 10%, and requires lender rebate to government		
Rolls back Direct Student Loan Program and slashes management and oversight of all student loans	1.35 billion	13
Caps direct lending at 20% and forces ⅓ to ½ of current schools out of the program		
Cuts administrative budget of both direct and guaranteed loan programs by a total of $750 million over 7 years		
Eliminates interest-free grace period	2.7 billion	25
Adjustments to lenders and guaranty agencies in guaranteed loan program:		
Adjustments to guaranty agency entitlements	1.4 billion	13
Adjustments to lender entitlements	1.7 billion	16
Cost sharing to states	100 million	1
Total costs imposed upon students	7.55 billion	70
Total costs imposed upon loan industry	3.1 billion	29

The Student Loan Tax Colleges Will Have to Pay

State and Institution	First year .85% tax
California:	
University of California System	$3,000,000
Scripps College	34,000
Colorado: University of Colorado at Boulder	578,000
Connecticut:	
Yale University	332,000
Univ. of Hartford	68,000
Univ. of Connecticut	170,000
Quinnipiac College	102,000
Florida: University of Florida	731,000
Georgia: University of Georgia at Athens	434,000
Illinois:	
University of Illinois	578,000
Southern Illinois University	510,000
Northwestern University	510,000
Chicago State	62,600
Greenville College	49,000
Rockford College	33,000
Iowa:	
Iowa State	553,000
William Penn College	20,000
University of Northern Iowa	172,000
Clarke College	19,000
Indiana:	
Indiana University	1,100,000
Notre Dame University	213,000
IUPUI	402,000
Martin College	8,900
Kansas:	
University of Kansas	297,000
Ottawa University	5,000
Bethel College	17,000
Univ. of Kansas	348,000
Maryland:	
University of Maryland	255,000
Johns Hopkins University	204,000
Western Maryland College	25,000
Univ. of MD, Baltimore	180,000
Massachusetts:	
Northeastern University	680,000
University of Massachusetts	531,000
Northeastern University	250,000
Simmons College	62,000
Western New England	66,000
Michigan:	
University of Michigan	723,000
Olivet College	17,000
Marygrove College	29,000
Wayne State Univ.	225,000
Minnesota:	
University of Minnesota	935,000
Univ. Saint Thomas	125,000
College of Saint Scholastica	.....
Missouri: University of Missouri at St. Louis	172,000
North Carolina: UNC-Chapel Hill	204,000
New Hampshire: University of New Hampshire	225,000
New Jersey: Rutgers University	706,000
New York:	
SUNNY Schools	4,000,000
New York University	1,300,000
CUNY Schools	510,000
Ohio:	
Ohio State University	850,000
Case Western Reserves University	289,000
Pennsylvania: University of Pittsburgh	230,000
Rhode Island:	
University of Rhode Island	255,000
Brown University	145,000
Tennessee: University of Tennessee	374,000
Texas: University of Texas at Austin	987,000
Vermont: University of Vermont	213,000
Virginia:	
James Madison University	153,000
Marymount	171,000
Washington: University of Washington	680, 000

Figures reflect total student loan volume for 1994–95 school year.

The .85% Student Loan Tax—What Massachusetts Schools Will Have to Pay

College	Tax amount
Westfield State College	$53,000

The .85% Student Loan Tax—What Massachusetts Schools Will Have to Pay—Continued

College	Tax amount
Worchester State College	39,000
Northeastern University	680,000
U. Mass—Boston	174,000
U. Mass—Amherst	531,000
U. Mass—Medical School (Worchester)	38,000
Brandeis	102,000
North Adams State College	35,000
Clark University	47,000
College of the Holy Cross	87,000
Bridgewater College	102,000
Tufts University (Somerville)	289,000
Radcliffe University (Cambridge)	123,000
Wellesley College (Wellesley)	34,000
Boston College	400,000

MASSACHUSETTS SCHOOLS PARTICIPATING IN DIRECT LENDING

Amherst College
Atlantic Union College
Bay State School of Appliances
Berklee College of Music
Blaine Hair School
Blaine The Hair & Beauty School-Waltham
Blaine The Hair & Beauty School-Boston
Boston University
Brandeis University
Bridgewater State University
Burdett School
Emerson College
Fitchburg State College
Franklin Institute of Boston
Greater Lowell Regional
Hallmark Institute of Photography
Hampshire College
Harvard University
Labaron Hairdressing Academy
Labaron Hairdressing Academy—Brockton
Labaron Hairdressing Academy—Springfield
Learning Institute for Beauty Sciences—Malden
Learning Institute for Beauty Sciences—Worcester
Mansfield Beauty Schools—Quincy
Mansfield Beauty Schools—Springfield
Massachusetts College of Art
Massachusetts Institute of Technology
Massachusetts Maritime Academy
Merrimack College
Mt. Holyoke College
Mt. Ida College
New England College of Optometry
Newbury College
North Adams State College
Quinsigamond Community Colleges
RETS Electronic Schools
Radcliffe College
Simons Rock of Bard College
Smith College
Springfield Technical Community College
Stonehill College
University of Massachusetts—Amherst
University of Massachusetts—Lowell
Wentworth Institute of Technology
Western New England College
Western State College
Williams College.

Mr. KENNEDY. Let me just mention these few sentences. It is signed by Rich Bond, who is the former chairman of the Republican National Committee; Diana Culp Borx, who is the former deputy general counsel, Department of Education; James Pinkerton, the former Deputy Assistant to the President for Policy Planning—this is under the previous administration—Carolynn Reid-Wallace, former Assistant Secretary for Postsecondary Education, Department of Education; Nancy Mohr Kennedy, former Assistant Secretary for Legislation and Congressional Affairs, Department of Education—that is under President Bush—Michael Horowitz, former general counsel, Office of Management and Budget, Charles Kolb, former Deputy Assistant to the President for Domestic Policy; George Pieler, former Acting Deputy Under Secretary for Planning, Budget and Evaluation.

These are all leaders in the field of education in the Bush administration. And this was their letter to us.

As such, a direct loan program offers a more cost-effective delivery system for providing student financial assistance.

Replacing the [guaranteed student loan] structure with a steamlined structure will mean not only enhanced accountability but budget savings, but also a more rational delivery system that will particularly benefit students and educational institutions. In particular, we believe direct loans will also ensure greater responsibility and accountability by participating educational institutions.

A direct loan program will mean replacing the role currently played by many banks, guarantee agencies, and secondary markets with a much more competitive approach. The intent is not to harm these participants in the existing program but rather to recognize that more competitive, efficient, and practical ways exist to provide student loans. We hope that as the Congress considers direct loans it will look beyond the misleading information that is being spread by representatives of those entities who have a direct financial stake in preserving the status quo.

I say amen to that.

It continues:

We believe that the Clinton administration has taken the correct position on this issue and urge the Congress to consider this much-needed reform of the student loan program. In fact, much of the initial work that led to the direct loan program currently under consideration was undertaken [by] the Bush administration.

They are taking credit for the direct loan program.

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While a valuable direct loan pilot program—

I point out that was bipartisan, Senator SIMON, Senator DURENBERGER, Senator BRADLEY, I, and others were involved in that debate. But here we have leaders in the education program and in the budget items in the previous administration touting the direct loan program, and nonetheless we find our Republican friends in the Human Resource Committee attempting to eliminate it under the Coats amendment last week and severely reduce it even under the proposal by the majority of the Republicans in the committee.

The letter continues:

While a valuable direct loan pilot program was authorized last year, we regret that this work was not pursued more seriously and vigorously during last year's reauthorization. . . . Nonetheless, we hope that the Congress will act in a true bipartisan fashion to approve direct loans in order to bring sweeping and needed reform to the student aid delivery system.

We say amen to that. That was a bipartisan effort.

Here were the leaders under President Bush who were supporting that concept.

Should bipartisanship not be possible, we [will] call upon our fellow Republicans to unite behind the direct loan proposal and to show leadership in this and other efforts to reform government. We favor reforms that will ensure real value for the taxpayers' dollar, with government activity targeted to ensure more effective efforts delivered in ways that are accountable to the American people.

Mr. President, there is not a person on our committee on our side that could say it any better than that. And that is something that we hope will be understood and recognized. Mr. President, we look forward to this debate.

I want to just mention, finally, it is our intention to recognize there were 67 Members of this body, bipartisan, for the Simon-Snowe amendment when we debated education on the budget that restored funding for the higher education. And if that proposal had been accepted in the conference with the House—it was rejected out of hand, and we did not see much really of the struggle by our friends and colleagues to try to hold onto that proposal—but if that had been held onto, then our instruction would have been at $4.4 billion.

We will have a proposal tomorrow to address that $4.4 billion. It is our hope that, following the process and the budgetary consideration, that if it comes out of our committee and without complying with the larger instruction which will be devastating to the students and to student loans and to their parents, that it goes to the Budget Committee, that it is wrapped together with the other recommendations, and it then is scored by CBO, and CBO then makes a judgment as to what exactly the savings will be.

If the savings reach the $245 billion, then instructions go to the Finance Committee to have a tax cut for that particular amount. If it is $235 billion, then the recommendation will go to the Finance Committee for $235 billion. I think that is absolutely justified. But since two-thirds of the Members of the Senate went on record, Republicans and Democrats, saying it should only be $4.4 billion, we are going to recommend that we have $4.4 billion and that we will come back to the Senate when we have that opportunity and have a second vote on the Snowe-Simon amendment, because we believe that truly reflects the sentiment of this body with that overwhelming vote.

And that is the responsible way to go rather than to provide this very, very dangerous, unfair, unjustified, unwarranted slashing of the student loan program in order that we provide the tax cuts for the wealthy individuals and corporations.

I yield the floor.

MEASURES PLACED ON THE CALENDAR

The following measure was read the second time by unanimous consent and placed on the calendar.

S. 1254. An act to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1464. A communication from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation entitled, ''Department of Veterans Affairs Improvement and Reinvention Act of 1995''; the Committee on Veterans' Affairs.

EC–1465. A communication from the President of the Women's Army Corps Veterans Association, transmitting, pursuant to law, the annual audit for fiscal year 1995; the Committee on the Judiciary.

EC–1466. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled ''The Audit of the District of Columbia Lottery and Charitable Games Control Board for Fiscal Year 1994''; to the Committee on Governmental Affairs.

EC–1467. A communication from the Secretary of the Department of Housing and Urban Development, transmitting, pursuant to law, the Federal Housing Administration Management Report for fiscal year 1994; to the Committee on Governmental Affairs.

EC–1468. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals, dated September 1, 1995; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Agriculture, Nutrition and Forestry, to the Committee on Banking, Housing and Urban Affairs, to the Committee on Commerce, Science and Transportation, to the Committee on the Environment and Public Works, to the Committee on Finance, to the Committee on Foreign Relations, to the Committee on the Judiciary, to the Committee on Labor and Human Resources, and to the Committee on Small Business.

EC–1469. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the National Center on Child Abuse and Neglect's Report for fiscal years 1991–1992; the Committee on Labor and Human Resources.

EC–1470. A communication from the members of the United States of America Railroad Retirement Board, transmitting, pursuant to law, a budget request for fiscal year 1997; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENNETT:

S. 1270. A bill to exempt stored value cards from the Electronic Fund Transfer Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CRAIG (for himself, Mr. ABRAHAM, Mr. FAIRCLOTH, Mr. HOLLINGS, Mr. KEMPTHORNE, and Mr. KYL):

S. 1271. A bill to amend the Nuclear Waste Policy Act of 1982; to the Committee on Energy and Natural Resources.

By Mr. HOLLINGS:

S. 1272. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Billy Buck;* to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENNETT:

S. 1270. A bill to exempt stored value cards from the Electronic Fund Transfer Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE EXEMPTION FOR STORED VALUE CARDS ACT OF 1995

Mr. BENNETT. Mr. President, I thank you for the opportunity to address this assembly today.

We live in a time of great progress; a time when technology is growing exponentially. Just a few years ago, it would take an ordinary citizen days to send a document from Utah to Washington; today, thanks to the fax machine and cyberspace, it takes a matter of seconds. Not that long ago, in order to speak with constituents face to face, we would have no choice but to travel back to our States; now, due to satellite technology, we can participate in electronic town meetings and interact with voters 2,500 miles away.

Technology also necessitates changes in society in order to deep up and reach maximum efficiency. For example, often when using the telephone today, you might run across an automated directory. If you are using a digital phone, there is no problem; you can conduct your business easily. If, however, you are using an analog line, you

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might meet with some difficulty in concluding your affairs.

So it is with Federal regulations. We find the need in today's world to guard society from potential abuses through the process of regulation. However, technology can make existing regulations obsolete, or at least uneconomical to enforce. As the world changes around us, we must be willing and able to adapt.

The Electronic Fund Transfer Act, or EFTA, to which I am proposing changes today, regulates the use of debit cards and other so-called access devices to initiate electronic transfers to or from a consumer's deposit or other asset account. The EFTA imposes significant burdens on financial institutions that hold such accounts. For example, financial institutions must provide extensive disclosures to consumers before initial electronic fund transfers involving the account are made; they must provide periodic statements to consumers each month which detail every transfer made to or from an account; and they must provide receipts at electronic terminals for electronic fund transfers made by consumers.

The EFTA is an important act, but one that requires change due to technological advancements. Therefore, I propose that we amend the EFTA to reflect the progress of the industry. This bill, entitled ''Exemption for Stored Value Cards,'' modifies the definitions of ''accepted card or other means of access'' and ''account'' to clarify that the regulatory burdens imposed under the EFTA do not apply to so-called stored value cards. A stored value card is a card which can be used to pay for transactions by use of value which is stored on the card itself.

Good examples of stored value cards include the Washington, DC metro fare-cards or cards which contain value that can be used at such devices as vending machines, parking meters, or bridge toll booths. When a stored value or prepaid card is used to pay for a transaction with value stored on the card itself, it does not access the consumer's account and typically does not utilize the systems which are used by financial institutions to generate receipt information, and other information needed to comply with the EFTA. As a result, it would be inappropriate to apply all of the EFTA regulatory requirements to such stored value cards. It is intended, however, that the EFTA would apply to such a card when the card is used to access the consumer's deposit, savings, or similar asset account to load value onto the card for use at such vending and other machines.

In addition, application of the EFTA regulatory and procedural burdens to stored value cards would significantly impede the development of stored value programs, and in some instances may entirely preclude the development of such programs. Stored value card programs typically involve frequent, small dollar transactions with unsophisticated vending machines, parking meters, and similar equipment. Given the small dollar amount of these transactions, stored value card programs must be operated at a very low cost in order to be cost efficient for merchants, consumers, and card issuers alike. Applying the requirements of the EFTA to stored value card programs would significantly raise the cost of operating such programs and, in some instances, would make such programs economically unfeasible. This amendment also clarifies that the EFTA would not apply to value stored on other devices such as computers.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPTION FOR STORED VALUE CARDS.

Section 903 of the Electronic Fund Transfer Act (15 U.S.C. 1693a) is amended—

(1) in paragraph (1)—

(A) by striking ''(1) the term 'accepted card or other means of access' means a card'' and inserting the following:

''(1) the term 'accepted card or other means of access' means—

''(A) a card'';

(B) by adding ''and'' after the semicolon at the end; and

(C) by adding at the end the following new subparagraph:

''(B) does not include any card, device, or computer that may be used by a person to pay for a transaction through the use of value stored on, or assigned to, that card, device, or computer;'' and

(2) in paragraph (2)—

(A) by striking ''(2) the term 'account' means a demand'' and inserting the following:

''(2) the term 'account' means—

''(A) a demand'';

(B) by adding ''and'' after the semicolon at the end; and

(C) by adding at the end the following new subparagraph:

''(B) does not include any value that—

''(i) is stored on, or assigned to, a card, device, or computer; and

''(ii) enables a person to pay for a transaction through the use of that value;''.

By Mr. CRAIG (for himself, Mr. ABRAHAM, Mr. FAIRCLOTH, Mr. HOLLINGS, Mr. KEMPTHORNE, and Mr. KYL):

S. 1271. A bill to amend the Nuclear Waste Policy Act of 1982; to the Committee on Energy and Natural Resources.

THE NUCLEAR WASTE POLICY ACT OF 1995

Mr. CRAIG. Mr. President, today I am joining with other Senators, and the Presiding Officer in introducing legislation that will, I hope—after many years of failure—finally provide for the timely storage and disposal of spent nuclear fuel and high-level nuclear waste from the Nation's defense program and commercial nuclear power plants.

The Nuclear Waste Policy Act of 1995 creates an integrated system that will ensure construction of an interim storage facility and permanent repository to manage the legacy of America's great defense force, including spent fuel from the Navy's nuclear-powered fleet of aircraft carriers and submarines, currently stored in my State of Idaho, as well as components from dismantled nuclear weapons and commercial spent fuel from about 73 sites in more than 34 States.

Mr. President, transferring nuclear waste from the many defense and commercial nuclear sites to a single Federal facility beginning in 1998 was the intent of Congress when it passed the Nuclear Waste Policy Act of 1982.

Unbelievably, we are only 3 years from the date when the Energy Department is obligated to begin accepting this radioactive waste, and the DOE is still studying a site in Nevada to determine if it is a suitable location for a deep geologic repository for high-level radioactive waste. Because of endless bureaucratic delays that have plunged the program into tremendous loss of time, the Federal Government now says it will not have a repository operating until 2010, at the earliest, and probably several years thereafter.

That is 12 years after the Federal Government is contractually obligated to take title to spent fuel from civilian power plants and more than 10 years after the people of Idaho were first promised that high-level waste stored at the Idaho National Engineering Laboratory would be moved to a permanent repository.

Mr. President, you and I know INEL has now managed spent nuclear fuel from Navy warships for more than 30 years. More recently, it has also become the resting place for spent fuel and other radioactive components from the Three Mile Island incident. Like many nuclear facilities across the country, INEL has served the Federal Government and the citizens of America well. But now, the Federal Government must accept its responsibility under law to take nuclear waste to a facility licensed by an independent regulator where it can be managed safely and economically.

Mr. President, the bill I am introducing with you authorizes construction of a federally-licensed facility on the Nevada test site near Yucca Mountain to store spent Navy fuel from Idaho National Engineering Laboratory and other defense facilities and spent fuel currently stored at commercial nuclear power plants from Maine to California. The bill instructs the Federal Government to begin operation of an interim storage facility in 1998 so that high-level radioactive materials can be transferred to the test site, where it can be more easily managed.

Transferring nuclear materials from sites around the country to a single facility holds several advantages over the current system. First, because the interim storage facility provided in my

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bill will be licensed by the Nuclear Regulatory Commission ensuring safe storage of all materials. Second, a single site will be far more economical to maintain and keep secure. Finally, the storage site designated in my bill is close to Yucca Mountain, the likely site of a permanent repository for high-level waste.

Mr. President, though some will surely disagree with our approach, I do not think it is unreasonable to assume that Yucca will eventually be judged as suitable for a permanent repository. Nor do I think that establishing a storage site near the mountain compromises the integrity of the scientific studies currently ongoing.

It is important to recall that scientists and engineers at Yucca Mountain have conducted the most thorough and comprehensive geological survey ever undertaken on any piece of earth. After $5 billion in expenditures, the scientists have found no reason why the site would not be suitable for a permanent. nuclear waste repository. Moreover, the bill I am introducing today ensures that research at Yucca Mountain will continue during construction and operation of an interim storage facility.

Mr. President, the bill I introduce today is similar to legislation (H.R. 1020) that passed the House Commerce Committees 30–4 on August 2. My bill includes the following provisions that reform the Federal Government's spent fuel management program in these critical areas:

The bill reaffirms the Federal Government's responsibility to begin accepting waste from defense and commercial nuclear facilities in 1998.

It authorizes construction of an interim storage facility in two phases with date-certain schedules. Phase one will allow acceptance of up to 20,000 metric tons of uranium, including defense program waste, and phase two permits up to 100,000 metric tons.

It authorizes the Energy Department to develop a transportation system to safely move spent fuel from America's defense and commercial nuclear facilities to this single storage site.

It authorizes continued development of a permanent repository program according to DOE's 1994 program approach.

It requires the Energy Department to take title to spend nuclear fuel at plant sites and to operate a transportation system from a contract holder's designated site(s) to a Federal interim storage facility.

The Federal Department of Energy must purchase transportable storage containers, taking advantage of technologies available in the marketplace. Defense spent fuel must be transferred to containers that can be used at a storage facility licensed by the Nuclear Regulatory Commission.

Funding priorities for the Energy Department's program should be: First, interim storage and a related transportation system; second, construction of a railroad spur in Nevada from existing rail lines to the interim storage facility; and third, scientific study for a repository location.

Mr. President, the principle difference between the House bill and my bill revolves around future funding for civilian spent fuel management. The House committee voted to change current law which has resulted in the Federal Government collecting more than $11 billion from utilities and their ratepayers over the last 13 years, while spending less than half of that amount for the purpose it was intended to be spent for; that is, building a nuclear waste repository. The rest of the money, more than $5 billion, has been used to finance our deficit spending habit.

The House bill ensures that in future years appropriations in any given year will equal contributions from ratepayers. If Congress votes to reduce funding for the program, collections from utilities and ratepayers will be similarly reduced.

My bill retains the current funding mechanism for the DOE program. I hope as we proceed in the Senate, however, that we will take a close look at the House funding provision or something similar to help ensure that Congress once and for all moves toward ending the practice of collecting funds for specific purposes and then using them to help balance our out of balance budget.

Mr. President, this legislation will solve an important issue for the citizens of Idaho, and, frankly, for all Americans. The question of how best to manage spent nuclear fuel and other radioactive materials has been considered for most of my lifetime, certainly all of my career here in Washington. There is no question that centralized storage and disposal in a remote location is better than leaving nuclear waste scattered across the United States at multiple of sites. It is time to implement a centralized storage program and to develop the solution that protects public health and safety and the environment and future generations.

A dozen years ago, the Federal Government signed contracts with utilities and agreed to take title to and dispose of used nuclear fuel by 1998. Now it is time for the Federal Government to live up to its commitment to these consumers and to the residents of States like mine who have played an essential role in managing the waste from the Nation's nuclear defense program.

Mr. President, there is widespread support for these principles among State Governors, attorneys general, utility regulators and more than 180 Members from both sides of the aisle in the House of Representatives, which is considering similar legislation. I urge my colleagues to support this legislation to manage the Nation's nuclear waste in an integrated, sensible fashion and to demonstrate to the American people that the Federal Government can honor its commitments.

The United States has benefited from the many uses of nuclear materials, whether as a deterrent to global conflict or nuclear fuel that is used to generate electricity in the manners that were environmentally sound and did not create air pollution.

Our generation has benefited enormously from these diverse uses. We have enjoyed peace, economic prosperity and a clearer environment. Now, our generation must finally take responsibility to properly manage spent fuel from the defense program and from more than 110 commercial nuclear powerplants.

I am pleased that Senators FAIRCLOTH, HOLLINGS, KEMPTHORNE,—as I already mentioned—KYL and SMITH, are joining me as cosponsors. I will work to assure this bill moves through Congress in a timely fashion.

By Mr. HOLLINGS:

S. 1272. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Billy Buck*, to the Committee on Commerce, Science, and Transportation.

TRADING PRIVILEGES LEGISLATION

Mr. HOLLINGS. Mr. President, I am introducing a bill today to direct that the vessel *Billy Buck*, official No. 939064, be accorded coastwise trading privileges and be issued a certificate of documentation under section 12103 of title 46, United States Code.

The *Billy Buck* was constructed in Miami, FL, in 1980, and is a motor vessel presently used as a recreational vessel. It is 30.2 feet in length, 10.8 feet in breadth, has a depth of 4.8 feet, and is self-propelled.

The vessel is owned by William E. Walpole of Wadmalaw Island, SC. Mr. Walpole would like to utilize his vessel, in the coastwise trade and fisheries of the United States. However, because the vessel was previously owned by a foreign interest and because the owner could not furnish a complete chain of title to the vessel, it did not meet the requirements for coastwise license endorsement in the United States. Such documentation is mandatory to enable the owner to use the vessel for its intended purpose.

The owner of the *Billy Buck* is seeking a waiver of the existing law because he wishes to use the vessel for charters. His desired intentions for the vessel's use will not adversely affect the coastwise trade in U.S. waters. If he is granted this waiver, it is his intention to comply fully with U.S. documentation and safety requirements. The purpose of the legislation I am introducing is to allow the *Billy Buck* to engage in the coatwise trade and the fisheries of the United States.

ADDITIONAL COSPONSORS

S. 356

At the request of Mr. SHELBY, the name of the Senator from Tennessee

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[Mr. FRIST] was added as a cosponsor of S. 356, a bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States.

S. 722

At the request of Mr. DOMENICI, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 722, a bill to amend the Internal Revenue Code of 1986 to restructure and replace the income tax system of the United States to meet national priorities, and for other purposes.

S. 847

At the request of Mr. GREGG, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 847, a bill to terminate the agricultural price support and production adjustment programs for sugar, and for other purposes.

S. 863

At the request of Mr. GRASSLEY, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 863, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 969

At the request of Mrs. KASSEBAUM, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 978

At the request of Mrs. HUTCHISON, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1130

At the request of Mr. BROWN, the names of the Senator from Mississippi [Mr. LOTT], the Senator from Oklahoma [Mr. NICKLES], the Senator from Washington [Mr. GORTON], and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 1130, a bill to provide for the establishment of uniform accounting systems, standards, and reporting systems in the Federal Government, and for other purposes.

S. 1131

At the request of Mr. ROCKEFELLER, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1131, a bill to amend title 38, United States Code, to authorize the provision of financial assistance in order to ensure that financially needy veterans receive legal assistance in connection with proceedings before the United States Court of Veterans Appeals.

S. 1136

At the request of Mr. HATCH, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 1136, a bill to control and prevent commercial counterfeiting, and for other purposes.

S. 1138

At the request of Mr. GRASSLEY, the names of the Senator from Oklahoma [Mr. INHOFE], the Senator from Indiana [Mr. COATS], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 1138, a bill to amend title XVIII of the Social Security Act to provide that certain health insurance policies are not duplicative, and for other purposes.

S. 1266

At the request of Mr. MACK, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1266, a bill to require the Board of Governors of the Federal Reserve System to focus on price stability in establishing monetary policy to ensure the stable, long-term purchasing power of the currency, to repeal the Full Employment and Balanced Growth Act of 1978, and for other purposes.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the names of the Senator from Minnesota [Mr. WELLSTONE], the Senator from Mississippi [Mr. LOTT], the Senator from Georgia [Mr. COVERDELL], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as ''National Family Week,'' and for other purposes.

AMENDMENTS SUBMITTED

VA-HUD APPROPRIATIONS ACT FOR FISCAL YEAR 1996

BUMPERS (AND OTHERS) AMENDMENT NO. 2776

Mr. BUMPERS (for himself, Mr. WARNER, Mr. COHEN, Mr. KERRY, Mr. BRYAN, Mr. BRADLEY, Mr. FEINGOLD, Mr. LEAHY, Mr. KOHL, Mr. WELLSTONE, and Mr. SIMON) proposed an amendment to the 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, 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.''

ADDITIONAL STATEMENTS

KENNETH B. SCHWARTZ

● Mr. KERRY. Mr. President, I want to take a moment today to remember Kenneth B. Schwartz of Brookline, MA. I first worked with Ken when I was Lieutenant Governor and he was general counsel to the executive office of human services. He had a brilliant analytical mind, a keen sense of humor, and most important, he was one of the purely nicest human beings ever to walk the face of the Earth. He cared deeply about the most vulnerable among us, the elderly, the poor, the mentally ill.

Tragically, he was diagnosed last November with cancer. Despite having the best medical care available, Ken died September 10, at age 40, leaving his wife, Ellen Cohen, and his 2-year-old son, Benjamin.

Despite pain, surgeries, the devastating effects of chemotherapy, and the mental anguish that knowledge of his condition brought, Ken turned his experience into something quite remarkable and enormously valuable for both those afflicted with cancer and those who treat them.

The son and brother of doctors, Ken wrote an article for the Boston Globe magazine on his experience as a patient, and his relationship with the caregivers at the teaching hospital where he was treated. Ken's article opened the eyes of the medical community in a way that rarely occurs even in the most sympathetic and responsive of hospitals. His article came to the attention of the ''Good Morning America'' show, which featured him in one of its segments. During this all-too-brief period of time, he also helped establish the Kenneth B. Schwartz Center for the Study of Caregiver-Patient Relationships at Massachusetts General Hospital, so that the lessons he learned from his illness might be studied and broadened to the benefit of future patients, their doctors and other caregivers.

As was said of Sir Thomas More, Ken was:

> A man of angel's wit and singular learning; I know not his fellow. For where is the man of that gentleness, lowliness and affability? And as time requireth, a man of marvelous mirth and pastimes; and sometimes of as sad a gravity; a man for all seasons.

I ask that his Boston Globe article be placed in the CONGRESSIONAL RECORD at this point, and I commend it to all my colleagues in the Congress.

The article follows:

[From The Boston Globe Magazine, Jul. 16, 1995]

A PATIENT'S STORY

(By Kenneth B. Schwartz)

Until last fall, I had spent a considerable part of my career as a health-care lawyer, first in state government and then in the private sector. I came to know a lot about health-care policy and management, government regulations and contracts. But I knew little about the delivery of care. All that changed on November 7, 1994, when at age 40 I was diagnosed with advanced lung cancer.

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In the months that followed, I was subjected to chemotherapy, radiation, surgery, and news of all kinds, most of it bad. It has been a harrowing experience for me and for my family. And yet, the ordeal has been punctuated by moments of exquisite compassion. I have been the recipient of an extraordinary array of human and humane responses to my plight. These acts of kindness—the simple human touch from my caregivers—have made the unbearable bearable.

During September and October of 1994, I made several visits to the outpatient clinic of a Boston teaching hospital for treatment of a persistent cough, low-grade fever, malaise, and weakness. The nurse practitioner diagnosed me as having atypical pneumonia and prescribed an antibiotic. Despite continued abnormal blood counts, she assured me that I had a post-viral infection and didn't need an appointment with my physician until mid-November, if then. By mid-October, I felt so bad that I decided I could not wait until November 11 to be seen. Disappointed with the inaccessibility of my physician, I decided to seek care elsewhere, with the hope that a new doctor might be more responsive.

My brother, a physician who had trained at Massachusetts General Hospital, arranged for an immediate appointment with Dr. Jose Vega, an experienced internist affiliated with MGH. Dr. Vega spent an hour with me and ordered tests, including a chest X-ray. He called within hours to say he was concerned by the results, which showed a ''mass'' in my right lung, and he ordered a computerized-topography scan for more detail. I remember leaving my office for home, saying quickly to my secretary, Sharyn Wallace, ''I think I may have a serious medical problem.'' Indeed, the CT scan confirmed abnormal developments in my right lung and chest nodes.

The next day, Dr. Vega, assuring me that he would continue to be available to me whenever I needed him, referred me to Dr. Thomas Lynch, 34-year-old MGH oncologist specializing in lung cancer. Dr. Lynch, who seems driven by the ferocity of the disease he sees every day, told me that I had lung cancer, lymphoma, or some rare lung infection, although it was most likely lung cancer.

My family and I were terrified. For the next several months, my blood pressure, which used to be a normal 124 over 78, went to 150 over 100, and my heart rate, which used to be a low 48, ran around 100.

Within 72 hours of seeing Dr. Lynch, I was scheduled for a bronchoscopy and a mediastinoscopy, exploratory surgical procedures to confirm whether I indeed had lung cancer. Until this point, I had thought that I was at low risk for cancer: I was relatively young, I did not smoke (although I had smoked about a cigarette a day in college and in law school and for several years after that), I worked out every day, and I avoided fatty foods.

The day before surgery, I was scheduled to have a series of tests. The presurgery area of the hospital was mobbed, and the nurses seemed harried. Eventually, a nurse who was to conduct a presurgical interview called my name. Already apprehensive, I was breathing hard.

The nurse was cool and brusque, as if I were just another faceless patient. But once the interview began, and I told her that I had just learned that I probably had advanced lung cancer, she softened, took my hand, and asked how I was doing. We talked about my 2-year-old son, Ben, and she mentioned that her nephew was named Ben. By the end of our conversation, she was wiping tears from her eyes and saying that while she normally was not on the surgical floor, she would come see me before the surgery. Sure enough, the following day, while I was waiting to be wheeled into surgery, she came by, held my hand, and, with moist eyes, wished me luck.

This small gesture was powerful; my apprehension gave way to a much-needed moment of calm. Looking back, I realize that in a high-volume setting, the high-pressure atmosphere tends to stifle a caregiver's inherent compassion and humanity. But the briefest pause in the frentic pace can bring out the best in a caregiver and do much for a terrified patient.

The nurse left, and my apprehension mounted. An hour later, I was wheeled to surgery for a biopsy of the chest nodes and the mass in my lung. I was greeted by a resident in anesthesiology, Dr. Debra Reich, who took my pulse and blood pressure and said gently: ''You're pretty nervous, huh?'' She medicated me with tranquilizers, but that did not stop me from asking about where she lived, where she had trained, and whether she was married. I jokingly asked her how come she was the only Jewish doctor I had met during my time at MGH. When it turned out that she lived down the street from me and liked the sandwiches at the same corner shop, Virginia's, I felt comforted. She squeezed my shoulder, wished me luck, and wheeled my into surgery.

When I awoke, I was told that I had adenocarcinoma in my right lung and in several chest nodes—in other words, advanced lung cancer. I don't remember a lot about those hours, but I remember Dr. Vega's face, with tears in his eyes. I also remember feeling very sad and scared.

A few days later, I received a letter from Dr. Reich: ''Remember me, your friendly anesthesiologist? I came by to see you this afternoon as my professional duty but also to express my sadness in hearing about your diagnosis. Your door was closed and there seemed to be a lot of activity, so I decided not to disturb you.

''As I'm sure you know, we as physicians are taught not to become emotionally involved in our patients because then we would be continually devastated. But I guess because we had such a nice interaction before your surgery and because your life was one which I could relate to so well—being Jewish, professional, renovating a house, sandwiches, at Virginia's, etc.—your situation really struck a chord in me. (Hey, maybe you can't even remember any of this because of the medicine I gave you, but hopefully you do . . .)

''I was very impressed that during the fear and anxiety you were experiencing, you still maintained your composure, your sense of humor, and even thought to ask me when I was getting married.

''So, anyway, as you told me, keeping your wife and son in mind will make you fight strong, and I know this to be true! I know that you have a very loving and supportive family who will help you through this as well.

''Best, wishes, and maybe I'll run into you sometime at Virginia's.''

I had not forgotten Dr. Reich, nor will I ever forget her willingness to cross the professional barrier, hold my hand, and write those words.

It was clear that I would soon begin a new chapter in my illness and undergo the classic treatment for such advanced cancer, intensive chemotherapy and radiation, followed by surgery to remove the tumors, nodes, and entire lung, if necessary. Dr. Lynch told me that this option presented the real possibility of a cure.

Over the next week, I had a series of additional radiologic scans to determine if the cancer had spread beyond my chest. These scans are incredibly scary: You are placed in a tube resembling a sarcophagus, with only 6 inches between you and the walls, and you may spend several hours inside, deafened by the clanging machine. And the scans always raise fears about whether more bad news in around the corner.

Dr. Vega or Dr. Lynch always made it a point, though, to relay results within 24 hours so my family and I didn't have to endure the anxiety of uncertainty any longer than necessary.

The scans of my body, head, liver, bones, and back were clear. I was relieved.

The doctors soon began an intensive regimen of chemotherapy and radiation, with the goal of destroying the cancer and preparing for surgery to remove my lung.

Before being admitted for my first five-day course of chemotherapy. I had a radiation-simulation session. During such session, therapists meticulously map their targets by marking your skin where the radiation should be directed. I was asked to lie on a table in a large, cold chamber. The radiation therapist. Julie Sullivan, offered me a blanket and, mentioning that the staff had a tape deck asked if I had any request; I recalled my college days and asked for James Taylor. Listening to ''Sweet Baby James'' and ''Fire and Rain'' I though back to a time when the most serious problem I faced was being jilted by a girlfriend, and tears ran down my cheeks. As therapists came and went, Julie Sullivan held my hand and asked me if I was OK. I thanked her for her gentleness.

After having a Port-o-Cath implanted in my chest—a device that allows chemotherapy to be administered without constant needle sticks in the arm—I was admitted to MGH in mid-November. During that and other hospitalizations, either my mother or sister would stay overnight, often sleeping in cramped chairs. When I awoke at night in an anxious sweat or nauseated, I would see one of them and feel reassured.

While doctors managed my medical cure, my day-to-day quality of life and comfort were in the hands of two or three nurses. These nurses showed competence and pride in their work, but they also took a personal interest in me. It gave me an enormous boost, and while I do not believe that hope and comfort alone can overcome cancer, it certainly made a huge difference to me during my time in the hospital.

During the period between my two chemotherapies, when I also received high-dose radiation twice a day, I came to know a most exceptional caregiver, the outpatient oncology nurse Mimi Batholomay. An eight-year veteran who had experienced cancer in her own family, she was smart, upbeat, and compassionate I had to receive fluids intravenously every day at the clinic, and while there we talked regularly about life, cancer, marriage, and children. She, too, was willing to cross that professional Rubicon—to reach out and talk about my fear of dying or, even worse, my fear of not living out my life, of not biking through the hills of Concord and Weston on summer weekends with my brother, of not seeing my child grown up, of not holding my wife in my arms. And she took the risk of talking about her own father's recent bout with cancer. I cannot emphasize enough how meaningful it was to me when caregivers revealed something about themselves that made a personal connection to my plight. It made me feel much less lonely. The rule books, I'm sure, frown on such intimate engagement between caregiver and patient. But maybe it's time to rewrite them.

After my second round of chemotherapy, I was ready for the final stage of what we hoped would be a cure: surgery. Before this could happen, Dr. Lynch repeated my radiologic scans, to be sure that the cancer

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had not spread. He assured me that the chance of any such metastasis was remote—less than 5 percent—although it would be a disaster if it occurred.

The scans were endless, scary; and lonely. While members of my family stayed with me in the waiting rooms, they could not accompany me to the scanning rooms; the experience again was harrowing. But I felt my greatest fear while awaiting the results. After a week of tests, I had one last scan of my bones. I was concerned when the technologist asked to do a special scan of my back that had not been done before.

The next day, I called Dr. Lynch's office and asked his assistant, Mary Elen Rousell, when I could come in to find out the results. She said, ''How about this afternoon?'' and then added, ''You might want to bring someone.'' My heart skipped. When my wife and I entered Dr. Lynch's office and saw his face, our hearts sank. He was ashen. He said that while all the other scans were clear, there appeared to be a metastatic tumor in my spine. He explained that this meant that lung surgery at this point would be futile, since other metastases were likely to surface.

Dr. Lynch said that he could not be 100 percent certain that this was a tumor and that, because so much was at stake, we should do a biopsy. My wife and I wept openly—in part because, looking at Dr. Lynch's face, we felt that he had lost hope.

I could not help but ask what treatment options were available, and he mentioned a drug called Taxol. Still being the lawyer, I quizzed him:

Me: What is the percentage of people who benefit from Taxol?

Dr. Lynch: Forty percent.

Me: How much do they benefit?

Dr. Lynch: They can get several years of life, although it is not a cure. And the median survival for patients on Taxol with your advanced state of disease is nine months.

Nine months! My wife and I cringed. I ended the session by asking Dr. Lynch, ''How do you do this work?'' And he answered, in genuine pain, ''By praying that I don't have days like today.''

I began to have trouble sleeping, and when I awoke, I was filled with dread and despair. I thought frequently of the observation of Richard Block, the founder of H&R Block, who had survived lung cancer after being told initially that he had only months to live: ''I lived for five days without hope and . . . my life during those five days . . . was far worse than at any time during the 'horrible' ordeal of tests or treatments.''

And when I contemplated not living to see my son grow up or not cherishing my wife for a lifetime, I thought of King Lear, who, at a low point, wailed:

I am bound
Upon a wheel of fire, that mine own tears
Do scald like molten lead.

I desperately needed to regain hope, and I needed Dr. Lynch to regain his sense of hope.

A few days later, I had the biopsy. Dr. Lynch met with my family to report that, indeed, after considerable searching, the pathologist had found small deposits of adenocarcinorea in my vertebra. It was now confirmed that I had metestatic lung cancer. Although my brother and my father, who is also a physician, raised the possibility of radical surgery on my back and lung to remove all the tumors, Dr. Lynch and the surgeons rejected this option because further metestates were likely to appear, and the surgery would be debilitating and reduce my quality of life at a time when my life could well be substantially shortened.

The clear treatment was more chemotherapy. Dr. Lynch again recommended the use of Taxol, with the hope of slowing the cancer's spread.

My wife and I were largely silent during the medical discussion. I asked my father and brother to leave so my wife and I could talk not facts and figures but matters of the heart. When they had left, I said to Dr. Lynch, ''You told me two things all along: One, that you were aiming for a total cure, and if that were not feasible, you would tell me at that time. And two, you would never, ever give up on me, never stop trying to fight, to extend my life as long as possible. Am I no longer on the cure route?''

He looked somberly at us and explained that there were no known treatments to cure this stage of cancer.

''And will you stick by me and fight to the end?'' I asked.

He nodded vigorously and then outlined a number of state-of-the-art, experimental protocols from which I might benefit after Taxol.

And, leaving statistics behind, he talked of several patients who had defied the odds and lived for years beyond expectations. He advised that my goal should be to be here the same time next year, and then the year after, and the year after—one day at a time, one month at a time, one year at a time. He mentioned several breast-cancer patients who had told him that they had relished their final years with their children in a way that they had never known before. It felt good to leave the medical talk and speak heart to heart, and it felt to me that he had regained a sense of hope—not for some magical cure but for the possibility of extending my life.

It was critical to my wife and to me that he not give up hope. I understood his surprise and disappointment at the metastasis; in fact as one friend suggested, his distress in that event was a sign of his caring about me and his involvement with my case. But we desperately needed him to give us a realistic basis for hope—and he had.

The next day, I began a new chapter in my fight. And once again, Mimi Bartholomay was by my side, monitoring my reaction and assuring me that most people tolerated Taxol very well. I had no allergic reactions, and I felt good that the battle was under way. I had hoped that maybe this would buy me time. Time was now my best friend, since it could allow medical research to advance and doctors to find new strategies and maybe even a cure for advanced lung cancer.

During this period, with help from my father, who has had a long and distinguished career in academic medicine, I began to explore potential cutting-edge protocols that could supplement or follow Taxol.

My father arranged a meeting for my wife and me with Dr. Knot J. Isselbacher, a distinguished researcher and director of the MGH Cancer Center. He is a small man with a large presence and piercing blue eyes, and he was surrounded by medical books, papers, and many pictures of his family. He was upbeat, telling us of protocols under way that showed promise in fighting metastatic tumors. Like several others, be told me a personal story that cut to the bone: A close family member, he said, had been diagnosed with advanced cancer, which the attending oncologist had said was ''very, very bad.'' The family member had said to him: ''Kurt you have helped so many people in your lie, can you now help me!'' He personally treated the family member in that person's home with chemotherapy, and, 21 years later, that person is thriving.

Dr. Isselbacher offered to serve as an advocate for me, to work with my father and Dr. Lynch to find the most promising protocols. I told him at the meeting that while I had no illusions, I was deeply moved by his refusal to give up and by his abiding hope; I was especially affected because such hopefulness was not coming from a faith healer but a distinguished researcher. He has strengthened our resolve to fight.

As I grappled to maintain my hope in the face of the advancing disease, I was referred to Dr. Ned Cassen, a senior MGH psychiatrist who not only had had vast experience with the seriously ill but was himself a Jesuit priest. I had met with him once during my second hospitalization, and my memory through the haze was that he was the first person with whom I had discussed death. I remembered that when I had asked him if, when, and how I should say goodbye to people, he said, ''You know, you don't have to wait to say goodbye; you can express you love and appreciation for people right now, every day.''

After the devastating news of the metastasis, I felt the urge to seek our Dr. Cassem again, in part to ask if there was anything more I should be doing to help my son, Ben, cope with my illness or the eventuality of my death. I mentioned that several people had suggested I make a videotape for Ben but that I thought I couldn't do that. Dr. Cassem replied that every time we played or laughed together, we were creating building blocks, precious memories that will be part of him forever.

I also asked him if he thought I should be doing more to prepare for the possibility of an early death. He looked perplexed and asked, ''Have you prepared your will?'' I said yes. ''Are your affairs otherwise in order'' I again said yes. ''So it sounds like you are prepared.. . . Remember, death is a minor matter. Living . . . that's the challenge.''

I then told him of the paradox that moments of great pleasure—playing with my son, snuggling with my wife, talking intensely with friends—also caused me great pain and tears. Was I depressed? Was this something to worry about? He looked at me thoughtfully and said: ''When you cry about your son, it's because he has touched you deeply. It's an affirmation of your love for him. When you weep about the joy you experience with your wife or close friends that's an acknowledgment of your love for them. That's not a bad thing.. . . Maybe a day without tears has been a dull day.'' I nodded and then could not help but ask: ''Do you believe in the power of prayer'' Dr. Cassem nodded. ''Absolutely,'' he said, ''and your name is on my prayer list.'' I felt warmed in his presence, by his wisdom, his common sense, and his spirituality.

In recent months, I have had several setbacks: a bone scan that showed four to five additional tumors, and a CT scan that showed significant progression of the cancer in both lungs. The only good news was that it had not spread to my head or liver. I am pained, but not surprised, at the relentlessness of the disease, and I am straining to retain hope that one of the experimental treatments may succeed where chemotherapy has failed.

For the first time, I recently mentioned to Dr. Lynch the idea of a hospice service and wondered how I might reduce future pain as the cancer progresses. Dr. Lynch answered that we were still a long way from that discussion, that we still had many avenues to explore, and that he remained as committed as ever to doing whatever he could to extend my life in a quality way.

Around the time of the CT scan, when I was feeling particularly dejected, I had an appointment with Mimi Bartholomay for an injection. She was running late, and as she approached me in the clinic waiting room, she looked harried. But as she got closer, she could see how unhappy I was, and she put her arm around me and directed me to a private room. I began to cry, and she intuitively responded: ''You know, scan days are the

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worst. But whatever the results, we are not going to give up on you. We're going to fight with you and for you all the way.'' I hugged her and thanked her for hanging in there with me.

If I have learned anything, it is that we never know when, how, or whom a serious illness will strike. If and when it does, each one of us wants not simply the best possible care for our body but for our whole being.

I still am bound upon Lear's wheel of fire, but the love and devotion of my family and friends, and the deep caring and engagement of my caregivers, have been a tonic for my soul and have helped to take some of the sting from my scalding tears.●

TRIBUTE TO THE MISSOURI MERCHANTS AND MANUFACTURERS ASSOCIATION

● Mr. BOND. Mr. President, I rise today to pay a special tribute to the Missouri Merchants and Manufacturers Association. I am very pleased to recognize this organization for its 15 years of superior service to the Missouri business community.

The Missouri Merchants and Manufacturers Association was formed in 1980. With hard work and untiring commitment, the MMMA has grown into a strong, well respected voice in the legislative process representing over 5,000 small and mid-sized businesses across the State of Missouri. It is actively involved in educating MMMA members and serving as an advocate on State legislative issues impacting businesses.

While Governor of Missouri, I found that the MMMA's active involvement in State legislative issues provided a vital resource. As chairman of the Committee on Small Business, I highly value the insights they have shared on numerous issues of great importance to America's business.

The quality individuals that comprise the MMMA epitomize the kind of dedication, work ethic and ideals necessary to meet the ongoing challenges and demands of the business community. Their leadership has influenced passage of important legislation and provided dependable resources in many court cases to benefit employers. The Missouri Merchants and Manufacturers Association will commemorate its 15th anniversary at an annual fall dinner on September 30, 1995. It is my great pleasure to congratulate the MMMA for this significant accomplishment.●

THE AMERICORPS PROGRAM

● Mr. LIEBERMAN. Mr. President, over the last few months, there have been a number of speeches in this Chamber and even more outside of it criticizing pointless partisanship. Although matters of philosophy and implementation do frequently divide Senators on this side of the aisle from those on the other side, the country has a right to expect that we will seize every chance to work together.

I would have thought that national service provided a perfect opportunity for that common ground. Republicans and Democrats alike have called for greater personal responsibility, for increased involvement of citizens in our communities, for people pitching in to do what needs to be done to make America as smart and safe and strong as we have dreamed it could be.

These are the very same goals of AmeriCorps, the new domestic Peace Corps established by Congress only 2 years ago. Just this past week, the first 20,000 AmeriCorps members completed their service in my State of Connecticut and all across the country. I know how much they have achieved in Connecticut.

Forty percent of the 300 students tutored by the University of Bridgeport AmeriCorps members have increased their levels of achievement in one or more areas. AmeriCorps members in the Leadership, Education and Athletics in Partnership [LEAP] program trained 600 children to volunteer at the Special Olympics when they were held in New Haven. Community Action for Greater Middlesex County was able to bring over 60 volunteers to Christmas in April, thanks to the presence of AmeriCorps members. They refurbished 15 bedrooms and 8 bathrooms at the Eddy Shelter and rehabilitated the home of 90-year-old Alice Taylor, who, in her own lifetime has taken care of over 1,000 foster children, as well as raised her own 8 children.

AmeriCorps offers an opportunity for young people and Americans of all ages. It makes the dream of a college education a reality for families who work hard and play by the rules—while meeting compelling human needs in our communities in a cost effective manner.

Independent analyses show just how cost-effective this initiative has been in its first year. The GAO said that the Corporation for National Service's resources total about $17,600 per member, which is not only in line with the Corporation's estimate of $18,800 per member but in line with what Congress authorized.

Mr. President, the only formal cost-benefit analysis of AmeriCorps, done by four conservative economists, estimated a return of $1.60 to $2.60 in direct benefits for every dollar AmeriCorps invests.

We need to build on this success, not walk away from it. The private sector poured $41 million in resources into local AmeriCorps programs this last year, a tremendous feat when you consider that Congress had called for $32 million in matching funds from all sources. We've got an impressive public/private partnership going here and we really need to nurture it.

We won't find common ground or reach higher ground if we turn national service into a partisan political football. We owe those 20,000 AmeriCorps members—and all Americans—better than that.

TRIBUTE TO JASON REESE

● Mr. FRIST. Mr. President, I would like to take the time today to commend a very special Tennessean who has shown tremendous strength of character and a will to succeed. Jason Reese is an 18-year-old from Morristown, TN, who has just been named the Boys & Girls Club of America's 1995–96 National Youth of the Year for his commitment to community service, scholastic achievement, and leadership skills.

Jason entered the competition for National Youth of the Year when he became the Morristown Boys & Girls Club's Youth of the Month and later their Youth of the Year. He was then chosen Youth of the Year by the State of Tennessee and the southeast regional representative for the national competition. The finalists traveled to Washington, D.C. and were judged on their activities in their local Boys & Girls Clubs, their values and integrity, their academic achievements, their service to their communities, and their commitment to their families.

As the National Youth of the Year, Jason will have the opportunity to meet with youth from Boys & Girls Clubs throughout the country and discuss the impact the programs can have on one individual. For years, Jason lived without a male role model. But through drive and determination, Jason Reese overcame those obstacles, and he has become a role model for other youths.

Jason was abandoned by his father when he was a baby, and later his stepfather abandoned him and his two younger stepbrothers. Jason grew up quickly, holding a part-time job, working hard in school, and caring for his brothers at home while his mother worked and attended school. He also joined the Boys & Girls Club in Morristown, where he grew up in other ways. There, he served as a junior staff member, a member of the Keystone Leadership Club, and as a delegate to the club's board of directors. He took part in most of the club's programs, and he learned the social and leadership skills that he says gave him the motivation and self-esteem he needed to succeed in his school, community, and family.

Outside of the Boys & Girls Club, Jason has volunteered in nursing homes, helped refurbish a local park, and tutored younger children. Throughout that time, he maintained a 3.83 cumulative grade point average in his advanced and college placement curriculum at Morristown-Hamblen School West, and he took on enough responsibilities at home to allow his mother to work and graduate from college with a degree in psychology.

After 8 years in the Boys & Girls Club and a lifetime of his own dedication, Jason Reese has entered the University of Tennessee at Knoxville as a freshman honors student in engineering. In addition to being a National Merit Scholar and a UT Centennial Scholar, Jason will receive a $10,000 scholarship

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from the Reader's Digest Association, which sponsored the National Youth of the Year Award. Those combined scholarships will cover the costs of Jason's tuition, books, and room and board for the next 4 years.

Mr. President, I had the pleasure to meet briefly with Jason at my constituent coffee last week when he was in Washington, D.C., with the other four finalists. Jason has the commitment and the integrity to lead the Nation's youth. And I have great confidence that his year as the National Youth will not only benefit him personally, but will have a positive impact on the millions of kids in Boys & Girls Clubs throughout the country.●

COMMEMORATING 1995 HEALTHY CHOICE AMERICAN HEART WALK

● Mr. BRADLEY. Mr. President, I rise today to call attention to a wonderful opportunity for my colleagues and their staff to do something good for both themselves and for America; to participate in the Healthy Choice American Heart Walk on September 28 at noon. America's national campaign to fight heart disease will start in the Nation's Capital with a walk on the National Mall involving thousands of our fellow Government and congressional leaders, celebrities, Federal workers, and others.

It is fitting to begin this event in our Nation's Capital because heart disease is a national problem. It is our Nation's No. 1 killer and disabler, and it exacts a devastating emotional and financial toll each year. Of the 10 leading causes of death in our country, heart disease leads the list, and kills more of us each year than the next 9 causes combined. And the financial impact of heart disease and stroke accounts for about one-seventh of our Nation's entire health care bill.

Local American Heart Association chapters have organized more than 800 walks involving thousands of people in cities and towns from coast-to-coast in late September and early October. The steps that will be taken on The Mall this Thursday begin a national round of Heart Walks in which over 400,000 Americans will participate. In the next few weeks, this army of walkers will cover more than 1.2 million miles and will raise more than $13 million for the American Heart Association.

With the Heart Walk, we can all—quite literally—take meaningful steps toward conquering this killer. We can also advance our cause in two critical ways—by taking steps toward a heart-smart lifestyle and helping others by raising funds to support the ongoing education and research efforts of the American Heart Association.

I urge my colleagues in the Senate to fit this into their schedules and to encourage their staff to participate as well.●

NOTE

In the RECORD of Friday, September 22, 1995, during the consideration of the message from the House on S. 440, at page S14144, the text of the House message was inadvertently omitted. The permanent RECORD will be corrected to reflect the following.

NATIONAL HIGHWAY SYSTEM DESIGNATION ACT OF 1995—MESSAGE FROM THE HOUSE

Mr. CHAFEE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 440, a bill to amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 440) entitled ''An Act to amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes'', do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''National Highway System Designation Act of 1995''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Secretary defined.

TITLE I—NATIONAL HIGHWAY SYSTEM

Sec. 101. National Highway System designation.

TITLE II—HIGHWAY FUNDING RESTORATION

Sec. 201. Short title.
Sec. 202. Findings and purposes.
Sec. 203. State high priority project restoration program.
Sec. 204. Rescissions.
Sec. 205. State unobligated balance flexibility.
Sec. 206. Minimum allocation.
Sec. 207. Relief from mandates.
Sec. 208. Definitions.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Distribution of transit operating assistance limitation.
Sec. 302. Accountability for high cost Federal-aid projects.
Sec. 303. Letters of intent and full financing grant and early systems work agreements.
Sec. 304. Report on capital projects.
Sec. 305. Repeal and modification of existing projects.
Sec. 306. Miscellaneous transit projects.
Sec. 307. Metropolitan planning for transit projects.
Sec. 308. Contracting for engineering and design services.
Sec. 309. Ferry boats and terminal facilities.
Sec. 310. Utilization of the private sector for surveying and mapping services.
Sec. 311. Formula grant program.
Sec. 312. Accessibility of over-the-road buses to individuals with disabilities.
Sec. 313. Alaska Railroad.
Sec. 314. Alcohol and controlled substances testing.
Sec. 315. Alcohol-impaired driving countermeasures.
Sec. 316. Safety research initiatives.
Sec. 317. Public transit vehicles exemption.
Sec. 318. Congestion mitigation and air quality improvement program.
Sec. 319. Quality improvement.
Sec. 320. Applicability of transportation conformity requirements.
Sec. 321. Quality through competition.
Sec. 322. Applicability of certain vehicle weight limitations in Wisconsin.
Sec. 323. Treatment of Centennial Bridge, Rock Island, Illinois, agreement.
Sec. 324. Metric requirements and signs.
Sec. 325. ISTEA technical clarification.
Sec. 326. Metropolitan planning for highway projects.
Sec. 327. Non-Federal share for certain toll bridge projects.
Sec. 328. Discovery and admission as evidence of certain reports and surveys.
Sec. 329. National recreational trails.
Sec. 330. Identification of high priority corridors.
Sec. 331. High priority corridor feasibility studies.
Sec. 332. High cost bridge projects.
Sec. 333. Congestion relief projects.
Sec. 334. High priority corridors on National Highway System.
Sec. 335. High priority corridor projects.
Sec. 336. Rural access projects.
Sec. 337. Urban access and mobility projects.
Sec. 338. Innovative projects.
Sec. 339. Intermodal projects.
Sec. 340. Miscellaneous revisions to Surface Transportation and Uniform Relocation Assistance Act of 1987.
Sec. 341. Eligibility.
Sec. 342. Orange County, California, toll roads.
Sec. 343. Miscellaneous studies.
Sec. 344. Collection of bridge tolls.
Sec. 345. National driver register.
Sec. 346. Roadside barrier technology.
Sec. 347. Motorist call boxes.
Sec. 348. Repeal of national maximum speed limit compliance program.
Sec. 349. Elimination of penalty for noncompliance for motorcycle helmets.
Sec. 350. Safety rest areas.
Sec. 351. Exemptions from requirements relating to commercial motor vehicles and their operators.
Sec. 352. Traffic control signs.
Sec. 353. Brightman Street Bridge, Fall River Harbor, Massachusetts.
Sec. 354. Motor carrier safety program.
Sec. 355. Technical amendment.
Sec. 356. Safety report.
Sec. 357. Operation of motor vehicles by intoxicated minors.
Sec. 358. Effectiveness of drunk driving laws.

SEC. 2. SECRETARY DEFINED.

In this Act, the term ''Secretary'' means the Secretary of Transportation.

TITLE I—NATIONAL HIGHWAY SYSTEM

SEC. 101. NATIONAL HIGHWAY SYSTEM DESIGNATION.

Section 103 of title 23, United States Code, is amended by inserting after subsection (b) the following:

''(c) INITIAL DESIGNATION OF NHS.—The National Highway System as submitted by the Secretary of Transportation on the map entitled 'Official Submission, National Highway System, Federal Highway Administration', and dated September 1, 1995, is hereby designated within the United States, including the District of Columbia and the Commonwealth of Puerto Rico.

''(d) MODIFICATIONS TO THE NHS.—

''(1) PROPOSED MODIFICATIONS.—The Secretary may submit for approval to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives proposed modifications to the National Highway System. The Secretary may only propose a modification under this subsection if the Secretary determines that such modification meets the criteria and requirements of subsection (b). Proposed modifications may include new segments and deletion of existing segments of the National Highway System.

''(2) APPROVAL OF CONGRESS REQUIRED.—A modification to the National Highway System may only take effect if a law has been enacted approving such modification.

''(3) REQUIRED SUBMISSIONS.—

''(A) INITIAL SUBMISSION.—Not later than 180 days after the date of the enactment of the National Highway System Designation Act of 1995, the Secretary shall submit under paragraph (1) proposed modifications to the National Highway System. Such modifications shall include a list and description of additions to the National Highway System consisting of connections to major ports, airports, international border crossings, public transportation and transit facilities, interstate bus terminals, and rail and other intermodal transportation facilities.

''(B) CONGRESSIONAL HIGH PRIORITY CORRIDORS.—Upon the completion of feasibility studies, the Secretary shall submit under paragraph (1) proposed modifications to the National Highway System consisting of any congressional high priority corridor or any segment thereof established by section 1105 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2037) which was not identified on the National Highway System designated by subsection (c).

''(4) INTERIM ELIGIBILITY.—

''(A) IN GENERAL.—Notwithstanding paragraph (2), a modification to the National Highway System which adds to the National Highway System a connection to a major port, airport, international border crossing, public transportation or transit facility, interstate bus terminal, or rail or other intermodal transportation facility shall be eligible for funds apportioned under section 104(b)(1) for the National Highway System if the Secretary finds that such modification is consistent with criteria developed by the Secretary for such modifications to the National Highway System.

''(B) PERIOD OF ELIGIBILITY.—A modification to the National Highway System which is eligible under subparagraph (A) for funds apportioned under section 104(b)(1) may remain eligible for such funds only until the date on which a law has been enacted approving modifications to the National Highway System which connect the National Highway System to facilities referred to in subparagraph (A).''.

TITLE II—HIGHWAY FUNDING RESTORATION

SEC. 201. SHORT TITLE.

This title may be cited as the ''Highway Funding Restoration Act of 1995''.

SEC. 202. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds and declares that—

(1) Federal infrastructure spending on highways is critical to the efficient movement of goods and people in the United States;

(2) section 1003(c) of the Intermodal Surface Transportation Efficiency Act of 1991 has been estimated to result in fiscal year 1996 highway spending being reduced by as much as $4,200,000,000;

(3) such section 1003(c) will cause every State to lose critical funds from the Highway Trust Fund that can never be recouped; and

(4) the funding reduction would have disastrous effects on the national economy, impede interstate commerce, and jeopardize the 40-year Federal investment in the Nation's highway system.

(b) PURPOSES.—The purposes of this Act are—

(1) to make the program categories in the current Federal-aid highway program more flexible so that States may fund current, high-priority projects in fiscal year 1996;

(2) to eliminate programs that are not critical during fiscal year 1996 and to reallocate funds so that the States will be able to continue their core transportation infrastructure programs;

(3) to restore funding for exempt highway programs;

(4) to ensure the equitable distribution of funds to urbanized areas with a population over 200,000 in a manner consistent with the Intermodal Surface Transportation Efficiency Act of 1991; and

(5) to suspend certain penalties that would be imposed on the States in fiscal year 1996.

SEC. 203. STATE HIGH PRIORITY PROJECT RESTORATION PROGRAM.

(a) IN GENERAL.—On October 1 of each of fiscal years 1996 and 1997, or as soon as possible thereafter, the Secretary shall allocate among the States the amounts made available to carry out this section for Interstate highway substitute, National Highway System, surface transportation program, Interstate, congestion mitigation and air quality improvement program, bridge, hazard elimination, and rail-highway crossings projects.

(b) ALLOCATION FORMULA.—Funds made available to carry out this section shall be allocated among the States in accordance with the following table:

States:	Allocation Percentages
Alabama	1.80
Alaska	1.20
Arizona	1.43
Arkansas	1.42
California	9.17
Colorado	1.27
Connecticut	1.74
Delaware	0.39
District of Columbia	0.52
Florida	4.04
Georgia	2.92
Hawaii	0.54
Idaho	0.70
Illinois	3.88
Indiana	2.18
Iowa	1.27
Kansas	1.13
Kentucky	1.53
Louisiana	1.52
Maine	0.65
Maryland	1.68
Massachusetts	4.11
Michigan	2.75
Minnesota	1.69
Mississippi	1.11
Missouri	2.28
Montana	0.93
Nebraska	0.79
Nevada	0.69
New Hampshire	0.48
New Jersey	2.86
New Mexico	1.02
New York	5.35
North Carolina	2.62
North Dakota	0.64
Ohio	3.64
Oklahoma	1.36
Oregon	1.23
Pennsylvania	4.93
Rhode Island	0.56
South Carolina	1.42
South Dakota	0.69
Tennessee	2.00
Texas	6.21
Utah	0.73
Vermont	0.43
Virginia	2.28
Washington	2.05
West Virginia	1.15
Wisconsin	1.90
Wyoming	0.65
Puerto Rico	0.46
Territories	0.01.

(c) EFFECT OF ALLOCATIONS.—Funds distributed to States under subsection (b) shall not affect calculations to determine allocations to States under section 157 of title 23, United States Code, and sections 1013(c), 1015(a), and 1015(b) of the Intermodal Surface Transportation Efficiency Act of 1991.

(d) PERIOD OF AVAILABILITY.—Notwithstanding any other provision of law, amounts made available to carry out this section shall be available for obligation for the fiscal year for which such amounts are made available plus the 3 succeeding fiscal years and shall be subject to the provisions of title 23, United States Code. Obligation limitations for Federal-aid highways and highway safety construction programs established by the Intermodal Surface Transportation Efficiency Act of 1991 and subsequent laws shall apply to obligations made under this section.

(e) SPECIAL RULE FOR URBANIZED AREAS OF OVER 200,000.—

(1) GENERAL RULE.—The percentage determined under paragraph (2) of funds allocated to a State under this section for a fiscal year shall be obligated in urbanized areas of the State with an urbanized population of over 200,000 under section 133(d)(3) of title 23, United States Code.

(2) PERCENTAGE.—The percentage referred to in paragraph (1) is the percentage determined by dividing—

(A) the total amount of the reduction in funds which would have been attributed under section 133(d)(3) of title 23, United States Code, to urbanized areas of the State with an urbanized population of over 200,000 for fiscal year 1996 as a result of the application of section 1003(c) of the Intermodal Surface Transportation Efficiency Act of 1991; by

(B) the total amount of the reduction in authorized funds for fiscal year 1996 that would have been allocated to the State, and that would have been apportioned to the State, as a result of the application of such section 1003(c).

(f) LIMITATION ON PLANNING EXPENDITURES.—One-half of 1 percent of amounts allocated to each State under this section in any fiscal year may be available for expenditure for the purpose of carrying out the requirements of section 134 of title 23, United States Code (relating to transportation planning). 1½ percent of the amounts allocated to each State under this section in any fiscal year may be available for expenditure for the purpose of carrying out activities referred to in subsection (c) of section 307 of such title (relating to transportation planning and research).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, out of the Highway Trust Fund (other than the Mass Transit Account), to carry out this section $321,420,595 for fiscal year 1996 and $155,000,000 for fiscal year 1997.

(h) APPLICABILITY OF CHAPTER 1 OF TITLE 23.—Except as otherwise provided in this section, funds allocated under this section shall be available for obligation in the same manner and for the same purposes as if such funds were apportioned under chapter 1 of title 23, United States Code.

(i) TERRITORIES DEFINED.—In this section, the term ''territories'' means the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 204. RESCISSIONS.

(a) RESCISSIONS.—Effective October 1, 1995, and after any necessary reductions are made under section 1003(c) of the Intermodal Surface Transportation Efficiency Act of 1991, the following unobligated balances available on September 30, 1995, of funds made available for the following provisions are hereby rescinded:

(1) $78,993.92 made available by section 131(c) of the Surface Transportation Assistance Act of 1982.

(2) $798,701.04 made available by section 131(j) of the Surface Transportation Assistance Act of 1982.

(3) $942,249 made available for section 149(a)(66) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(4) $88,195 made available for section 149(a)(111)(C) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(5) $155,174.41 made available for section 149(a)(111)(E) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(6) $36,979.05 made available for section 149(a)(111)(J) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(7) $34,281.53 made available for section 149(a)(111)(K) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

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(8) $164,532 made available for section 149(a)(111)(L) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(9) $86,070.82 made available for section 149(a)(111)(M) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(10) $52,834 made available for section 149(a)(95) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(11) $909,131 made available for section 149(a)(99) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(12) $3,817,000 made available for section 149(a)(35) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(13) $797,800 made available for section 149(a)(100) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(14) $2 made available by section 149(c)(3) of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

(15) $44,706,878 made available by section 1012(b)(6) of the Intermodal Surface Transportation Efficiency Act of 1991.

(16) $15,401,107 made available by section 1003(a)(7) of the Intermodal Surface Transportation Efficiency Act of 1991.

(17) $1,000,000 made available by item number 38 of the table contained in section 1108(b) of the Intermodal Surface Transportation Efficiency Act of 1991.

(18) $150,000,000 deducted by the Secretary under section 104(a) of title 23, United States Code.

(19) $10,800,000 made available by section 5338(a)(1) of title 49, United States Code.

(b) REDUCTIONS IN AUTHORIZED AMOUNTS.—

(1) MAGNETIC LEVITATION.—Section 1036(d)(1) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1986) is amended—

(A) in subparagraph (A) by inserting ''and'' after ''1994,'';

(B) in subparagraph (A) by striking '', $125,000,000'' and all that follows through ''1997''; and

(C) in subparagraph (B) by striking ''1996, and 1997'' and inserting ''and 1996''.

(2) HIGHWAY SAFETY PROGRAMS.—Section 2005(1) of such Act (105 Stat. 2079) is amended—

(A) by striking ''and'' the first place it appears and inserting a comma; and

(B) by striking ''1996, and 1997'' and inserting ''and 1996, and $146,000,000 for 1997''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall take effect on the day after the date on which authorized funds for fiscal year 1996 are reduced as a result of application of section 1003(c) of such Act.

(c) CONGESTION PRICING PILOT PROGRAM TRANSFERS.—After the date on which authorized funds for fiscal year 1996 are reduced as a result of application of section 1003(c) of the Intermodal Surface Transportation Efficiency Act of 1991, the amounts made available for fiscal years 1996 and 1997 to carry out section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1938) shall be available to carry out section 203 of this Act, relating to the State high priority restoration program.

SEC. 205. STATE UNOBLIGATED BALANCE FLEXIBILITY.

(a) REDUCTION IN FEDERAL FUNDING.—

(1) NOTIFICATION OF STATES.—On October 1, 1995, or as soon as possible thereafter, the Secretary shall notify each State of the total amount of the reduction in authorized funds for fiscal year 1996 that would have been allocated to such State, and that would have been apportioned to such State, as a result of application of section 1003(c) of the Intermodal Surface Transportation Efficiency Act of 1991.

(2) EXCLUSION OF CERTAIN FUNDING.—In determining the amount of any reduction under paragraph (1), the Secretary shall deduct—

(A) the amount allocated to each State in fiscal year 1996 to carry out section 203 of this Act, relating to the State high priority project restoration program; and

(B) any amounts made available under section 157(a)(4)(B)(iii) of title 23, United States Code, for fiscal year 1996.

(b) UNOBLIGATED BALANCE FLEXIBILITY.—Upon request of a State, the Secretary shall make available to carry out projects described in section 203(a) of this Act in fiscal year 1996 an amount not to exceed the amount determined under subsection (a) for the State. Such funds shall be made available from authorized funds that were allocated or apportioned to such State and were not obligated as of September 30, 1995. The State shall designate on or before November 1, 1995, or as soon as possible thereafter which of such authorized funds are to be made available under this section to carry out such projects. The Secretary shall make available before November 15, 1995, or as soon as possible thereafter funds designated under the preceding sentence to the State.

(c) SPECIAL RULE FOR URBANIZED AREAS OF OVER 200,000.—Funds which were apportioned to the State under section 104(b)(3) of title 23, United States Code, and attributed to urbanized areas of a State with an urbanized population of over 200,000 under section 133(d)(3) of such title may only be designated by the State under subsection (b) if the metropolitan planning organization designated for such area concurs, in writing, with such designation.

(d) CONGESTION MITIGATION AND AIR QUALITY BALANCES.—States may designate under subsection (b) funds apportioned under section 104(b)(2) of title 23, United States Code, and not obligated as of September 30, 1995, to carry out projects described in section 203(a) of this Act only if such funds will be obligated in areas described in section 104(b)(2) of such title or, in the case of a State which does not include such an area, the funds may be obligated in any area of the State.

(e) INTERSTATE CONSTRUCTION BALANCES.—A State may not designate under subsection (b) any more than ⅓ of funds apportioned or allocated to the State for Interstate construction and not obligated as of September 30, 1995.

(f) PERIOD OF AVAILABILITY.—Notwithstanding any other provision of law, amounts designated under subsection (b) shall be available for obligation for the same period for which such amounts were originally made available for obligation and shall be subject to the provisions of title 23, United States Code. Obligation limitations for Federal-aid highways and highway safety construction programs established by the Intermodal Surface Transportation Efficiency Act of 1991 and subsequent laws shall apply to obligations made under this section.

(g) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to affect calculations to determine allocations to States under section 157 of title 23, United States Code, and sections 1013(c), 1015(a), and 1015(b) of the Intermodal Surface Transportation Efficiency Act of 1991.

(h) STATE.—In this section and section 203, the term ''State'' has the meaning such term has under section 401 of title 23, United States Code.

SEC. 206. MINIMUM ALLOCATION.

(a) FORMULA.—Section 157(a)(4) of title 23, United States Code, is amended—

(1) by striking ''In fiscal'' and inserting the following:

''(A) IN GENERAL.—In fiscal'';

(2) by inserting ''funds authorized to be appropriated by subsection (f)'' after ''shall allocate'';

(3) by moving subparagraph (A), as designated by paragraph (1) of this subsection, 2 ems to the right; and

(4) by adding at the end the following:

''(B) ADDITIONAL ALLOCATION.—If the aggregate amount allocated to the States under subparagraph (A) after application of section 1003(c) the Intermodal Surface Transportation Efficiency Act of 1991 for any fiscal year beginning after September 30, 1995, is less than the amount authorized to be appropriated to carry out this section for such fiscal year, then the excess of such authorized amount shall be allocated as follows:

''(i) The Secretary shall first allocate to each State such amount as may be necessary to increase the allocation under subparagraph (A) to the amount that would have been allocated to the State for such fiscal year if the full amount of the funds authorized to be appropriated for such fiscal year by such Act out of the Highway Trust Fund (other than the Mass Transit Account) were appropriated without regard to such section 1003(c).

''(ii) If any of such excess remains after the allocation under clause (i), the Secretary shall allocate to each State such amount as may be necessary so that the amount authorized to be appropriated for such fiscal year for each project to be carried out in such State under sections 1103 through 1108 of such Act without regard to section 1003(c) of such Act is available for the project.

''(iii) The Secretary shall allocate among the States any excess remaining after the allocations under clauses (i) and (ii) so that each State is allocated the following percentages of the remaining excess:

''States:	*Percentages*
Alabama	*1.80*
Alaska	*1.20*
Arizona	*1.43*
Arkansas	*1.42*
California	*9.17*
Colorado	*1.27*
Connecticut	*1.74*
Delaware	*0.39*
District of Columbia	*0.52*
Florida	*4.04*
Georgia	*2.92*
Hawaii	*0.54*
Idaho	*0.70*
Illinois	*3.88*
Indiana	*2.18*
Iowa	*1.27*
Kansas	*1.13*
Kentucky	*1.53*
Louisiana	*1.52*
Maine	*0.65*
Maryland	*1.68*
Massachusetts	*4.11*
Michigan	*2.75*
Minnesota	*1.69*
Mississippi	*1.11*
Missouri	*2.28*
Montana	*0.93*
Nebraska	*0.79*
Nevada	*0.69*
New Hampshire	*0.48*
New Jersey	*2.86*
New Mexico	*1.02*
New York	*5.35*
North Carolina	*2.62*
North Dakota	*0.64*
Ohio	*3.64*
Oklahoma	*1.36*
Oregon	*1.23*
Pennsylvania	*4.93*
Rhode Island	*0.56*
South Carolina	*1.42*
South Dakota	*0.69*
Tennessee	*2.00*
Texas	*6.21*
Utah	*0.73*
Vermont	*0.43*
Virginia	*2.28*
Washington	*2.05*
West Virginia	*1.15*
Wisconsin	*1.90*
Wyoming	*0.65*
Puerto Rico	*0.46*
Territories	*0.01.*

''(C) TERRITORIES DEFINED.—In this paragraph, the term 'territories' means the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.''.

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(b) SPECIAL RULE FOR URBANIZED AREAS OF OVER 200,000 IN FISCAL YEARS 1996 AND 1997.—Section 157 of such title is amended—

(1) by redesignating subsections (d) and (e) as subsection (e) and (f), respectively, and

(2) by inserting after subsection (c) the following:

''(d) SPECIAL RULE FOR URBANIZED AREAS OF OVER 200,000 IN FISCAL YEARS 1996 AND 1997.—

''(1) GENERAL RULE.—The percentage determined under paragraph (2) of funds allocated to a State under subsection (a)(4)(B)(iii) for each of fiscal years 1996 and 1997 shall be obligated in urbanized areas of the State with an urbanized population of over 200,000 under section 133(d)(3).

''(2) PERCENTAGE.—The percentage referred to in paragraph (1) is the percentage determined by dividing—

''(A) the total amount of the reduction in funds which would have been attributed under section 133(d)(3) to urbanized areas of the State with an urbanized population of over 200,000 for fiscal year 1996 as a result of the application of section 1003(c) of the Intermodal Surface Transportation Efficiency Act of 1991; by

''(B) the total amount of the reduction in authorized funds for fiscal year 1996 that would have been allocated to the State, and that would have been apportioned to the State, as a result of the application of such section 1003(c).''.

(c) FUNDING.—Section 157(f) of such title, as redesignated by subsection (b), is amended by inserting before the period the following: ''and before October 1, 1995, $1,101,000,000 for fiscal year 1996, $1,378,000,000 for fiscal year 1997''.

SEC. 207. RELIEF FROM MANDATES.

(a) MANAGEMENT SYSTEMS.—The Secretary shall not take any action pursuant to or enforce the provisions of section 303(c) of title 23, United States Code, with respect to any State during fiscal year 1996.

(b) ASPHALT PAVEMENT CONTAINING RECYCLED RUBBER.—Section 1038 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1987–1990) is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 208. DEFINITIONS.

In this title, the following definitions apply:

(1) AUTHORIZED FUNDS.—The term ''authorized funds'' means funds authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account) to carry out title 23, United States Code (other than sections 402 and 410) and the Intermodal Surface Transportation Efficiency Act of 1991 and subject to an obligation limitation.

(2) URBANIZED AREA.—The term ''urbanized area'' has the meaning such term has under section 101(a) of title 23, United States Code.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. DISTRIBUTION OF TRANSIT OPERATING ASSISTANCE LIMITATION.

(a) IN GENERAL.—Notwithstanding section 5336(d) of title 49, United States Code, the Secretary shall distribute the limitation on operating assistance under such section—

(1) so that each urbanized area (as such term is defined under section 5302 of such title) that had a population under the 1990 decennial census of the United States of less than 200,000 will receive, under the distribution of such limitation for each of fiscal years 1996 and 1997, 75 percent of the amount the area received under the distribution of such limitation for fiscal year 1995; and

(2) so that an urbanized area that had a population under the 1980 decennial census of the United States of more than 1,000,000 and has a population under the 1990 decennial census of less than 1,000,000, will receive under the distribution of such limitation for each of fiscal years 1996 and 1997, 90 percent of the amount of funds apportioned in fiscal year 1982 under sections 5(a)(1)(A), 5(a)(2)(A), and 5(a)(3)(A) of the Urban Mass Transportation Act of 1964 to such area.

(b) CONSIDERATION.—In the distribution of the limitation referred to in subsection (a) to urbanized areas that had a population under the 1990 decennial census of 1,000,000 or more, the Secretary shall direct each such area to give priority consideration to the impact of reductions in operating assistance on smaller transit authorities operating within the area and to consider the needs and resources of such transit authorities when the limitation is distributed among all transit authorities operating in the area.

SEC. 302. ACCOUNTABILITY FOR HIGH COST FEDERAL-AID PROJECTS.

(a) REQUIREMENTS.—The Secretary shall require each recipient of Federal financial assistance for a highway or transit project with an estimated total cost of $1,000,000,000 or more to submit to the Secretary an annual financial plan. Such plan shall be based on detailed annual estimates of the cost to complete the remaining elements of the project and on reasonable assumptions, as determined by the Secretary, of future increases in the cost to complete the project.

(b) RECOMMENDATIONS ON WITHHOLDING OF ASSISTANCE.—As part of an annual report to be submitted under subsection (c), the Secretary shall make a recommendation to Congress on whether or not future Federal assistance should be withheld with respect to any project described in subsection (a) for which an annual financial plan is not submitted under subsection (a) or for which the Secretary determines that the estimates or assumptions referred to in subsection (a) are not reasonable.

(c) REPORT.—The Secretary shall submit to Congress an annual report on the financial plans submitted to the Secretary under this section, and any recommendation made by the Secretary under subsection (b), in the preceding fiscal year.

SEC. 303. LETTERS OF INTENT AND FULL FINANCING GRANT AND EARLY SYSTEMS WORK AGREEMENTS.

Section 5309(g) of title 49, United States Code, is amended—

(1) by indenting and dropping paragraph (1) down 1 line;

(2) by moving all the paragraphs, subparagraphs, and clauses of such section 2 ems to the right;

(3) by inserting after ''(1)'' the first place it appears the following: ''LETTERS OF INTENT.—'';

(4) in paragraph (1)(B) by striking ''Public Works and Transportation'' and inserting ''Transportation and Infrastructure'';

(5) by inserting after (2) the first place it appears ''FULL FINANCING GRANT AGREEMENTS.—'';

(6) by inserting after (3) the first place it appears ''EARLY SYSTEM WORK AGREEMENTS.—'';

(7) by inserting after (4) the first place it appears ''TOTAL ESTIMATED FUTURE OBLIGATIONS AND CONTINGENT COMMITMENTS.—''; and

(8) by adding at the end the following:

''(5) PREAUTHORIZATION OF FULL FEDERAL FINANCIAL RESPONSIBILITY.—

''(A) IN GENERAL.—After the date of the enactment of this paragraph and before the date on which Federal-aid highway and transit programs are reauthorized, the Secretary of Transportation may not issue a letter of intent, or enter into a full financing grant agreement or early systems work agreement, under this section for a project or operable segment of a project unless the full amount of Federal financial responsibility for the project or operable segment of a project has been included in an authorization law.

''(B) LIMITATION.—The prohibition on entering into a full financing grant agreement under this paragraph shall not apply—

''(i) to any project for which a letter of intent was issued before the date of the enactment of this paragraph; and

''(ii) to any project included as an element of an interrelated project which also includes another project for which a letter of intent was issued before such date of enactment.''.

SEC. 304. REPORT ON CAPITAL PROJECTS FOR FIXED GUIDEWAY SYSTEMS AND EXTENSIONS TO EXISTING FIXED GUIDEWAY SYSTEMS.

Section 5309(m) of title 49, United States Code, is amended—

(1) by indenting and dropping paragraph (1) down 1 line;

(2) by moving all the paragraphs and subparagraphs of such section 2 ems to the right;

(3) by inserting ''PERCENTAGES.—'' after ''(1)'' the first place it appears;

(4) by inserting ''NONURBANIZED AREA ALLOCATION.—'' after ''(2)'' the first place it appears;

(5) by inserting ''REPORTS.—'' after ''(3)'' the first place it appears;

(6) in paragraph (3) by striking ''Public Works and Transportation'' and inserting ''Transportation and Infrastructure'';

(7) in paragraph (3) by striking ''a proposal on the allocation'' and inserting ''a report on the proposed allocation'';

(8) in paragraph (3) by adding at the end the following:

''Such report shall include for each such capital project the following:

''(A) An analysis of the potential funding requirements of the project under paragraph (1)(B) in the succeeding 5 fiscal years.

''(B) A description of the planning and study process undertaken to select the locally preferred alternative for the project.

''(C) A description of efforts undertaken to seek alternative funding sources for the project.''; and

(9) by inserting ''MULTIPLE ALLOCATIONS.—'' after ''(4)'' the first place it appears.

SEC. 305. REPEAL AND MODIFICATION OF EXISTING PROJECTS.

(a) LONG BEACH METRO LINK FIXED RAIL PROJECT.—Section 3035(o) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2131) is repealed.

(b) HONOLULU RAPID TRANSIT PROJECT.—Section 3035(ww) of such Act (105 Stat. 2136) is amended by striking ''$618,000,000'' and inserting ''$541,100,000''.

SEC. 306. MISCELLANEOUS TRANSIT PROJECTS.

(a) NEW JERSEY URBAN CORE PROJECT.—Section 3031(d) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2122–2123) is amended—

(1) by inserting after ''Hudson River Waterfront Transportation System'' the following: ''(including corridor connections to and within the city of Bayonne)''; and

(2) by inserting after ''Concourse,'' the following: ''the West Shore Line,''.

(b) NORTH BAY FERRY SERVICE.—Section 3035(c) of such Act (105 Stat. 2129) is amended by striking ''$8,000,000'' and all that follows through ''1993'' and inserting ''$17,000,000''.

(c) STATEN ISLAND-MIDTOWN MANHATTAN FERRY SERVICE.—Section 3035(d) of such Act is amended by striking ''$1,000,000'' and all that follows through ''1993'' and inserting ''$12,000,000''.

(d) CENTRAL AREA CIRCULATOR PROJECT.—Section 3035(e) of such Act is amended by striking the last sentence which begins ''Such amount''.

(e) SALT LAKE CITY LIGHT RAIL PROJECT.—Section 3035(f) of such Act is amended by inserting after ''including'' the following: ''related high-occupancy vehicle lane, intermodal corridor design,''.

(f) LOS ANGELES-SAN DIEGO RAIL CORRIDOR IMPROVEMENT PROJECT.—Section 3035(g) of such Act is amended by striking ''not less than'' the 1st place it appears and all that follows through ''1994'' and inserting ''$20,000,000''.

(g) SAN JOSE-GILROY-HOLLISTER COMMUTER RAIL PROJECT.—Section 3035(h) of such Act is amended—

(1) by striking ''July 1, 1994'' and inserting ''September 30, 1996''; and

(2) by striking ''August 1, 1994,'' and inserting ''October 31, 1996,''.

(h) DALLAS LIGHT RAIL PROJECT.—

(1) MULTIYEAR GRANT AGREEMENT.—Section 3035(i) of such Act is amended—

(A) by striking ''6.4 miles'' and inserting ''9.6 miles'';

(B) by striking ''10 stations'' and inserting ''not to exceed 14 stations'';

(C) by striking ''such light rail line'' and inserting ''the program of interrelated projects identified in section 5328(c)(1)(G) of title 49, United States Code,''; and

(D) by striking ''of such elements'' and inserting ''element of such program of interrelated projects''.

(2) PROGRAM OF INTERRELATED PROJECTS.—Section 5328(c)(1)(G) of title 49, United States Code, is amended by striking ''Camp Wisdom'' and inserting ''Interstate Route 20, L.B.J. Freeway''.

(i) KANSAS CITY LIGHT RAIL LINE.—Section 3035(k) of such Act is amended by striking ''$1,500,000 in fiscal year 1992, and $4,400,000 in fiscal year 1993'' and inserting ''$5,900,000''.

(j) DOWNTOWN ORLANDO CIRCULATOR PROJECT.—Section 3035(l) of such Act is amended—

(1) by striking the subsection heading and inserting ''DOWNTOWN ORLANDO CIRCULATOR PROJECT'';

(2) by striking ''No later than April 30, 1992, the'' and inserting ''The'';

(3) by striking ''for'' the second place it appears and all that follows through the period at the end and inserting ''and the completion of final design, construction, land and equipment acquisition, and related activities for the Downtown Orlando Circulator project.''.

(k) DETROIT LIGHT RAIL PROJECT.—Section 3035(m) of such Act is amended by striking ''not less than'' the first place it appears and all that follows through ''1993,'' and inserting ''$20,000,000''.

(l) LAKEWOOD-FREEHOLD-MATAWAN OR JAMESBURG RAIL PROJECT.—Section 3035(p) of such Act is amended by striking ''$1,800,000'' and all that follows through ''1994'' and inserting ''$7,800,000''.

(m) CHARLOTTE LIGHT RAIL STUDY.—Section 3035(r) of such Act is amended by striking ''$125,000'' and all that follows through ''1993'' and inserting ''$500,000''.

(n) SAN DIEGO MID COAST FIXED GUIDEWAY PROJECT.—Section 3035(u) of such Act is amended—

(1) in the subsection heading by striking ''MID COAST LIGHT RAIL PROJECT'' and inserting ''METROPOLITAN TRANSIT IMPROVEMENT PROGRAM'';

(2) by striking ''No later than April 30, 1992, the'' and inserting ''The''; and

(3) by striking '', $2,000,000'' and all that follows through the period and inserting ''$27,000,000 for the integrated project financing of the San Diego Mid Coast and Mission Valley East Corridor fixed guideway projects.''.

(o) EUREKA SPRINGS, ARKANSAS.—Section 3035(z) of such Act is amended by striking the text and inserting the following: ''From funds made available under section 5309(m)(1)(C) of title 49, United States Code, the Secretary shall make available $63,600 to Eureka Springs Transit for the purchase of an alternative fueled vehicle which is accessible to and usable by individuals with disabilities.''.

(p) BALTIMORE-WASHINGTON TRANSPORTATION IMPROVEMENTS PROGRAM.—Section 3035(nn) of such Act is amended—

(1) in paragraph (1) by striking ''as follows:'' and all that follows through ''1994.'' and inserting ''and shall not be less than $60,000,000.'';

(2) in paragraph (2) by striking ''as follows:'' and all that follows through the period at the end of subparagraph (C) and inserting ''and shall total $160,000,000.''; and

(3) in paragraph (3) by striking ''for fiscal year 1993''.

(q) DULLES CORRIDOR RAIL PROJECT.—Section 3035(aaa) of such Act is amended—

(1) by striking ''No later than April 30, 1992, the'' and inserting ''The''; and

(2) by striking ''the completion'' and all that follows through ''engineering for''.

(r) CENTRAL PUGET SOUND REGIONAL TRANSIT PROJECT.—Section 3035(bbb) of such Act is amended to read as follows:

''(bbb) CENTRAL PUGET SOUND REGIONAL TRANSIT PROJECT.—From funds made available under section 5309(m)(1)(B) of title 49, United States Code, the Secretary shall make available $300,000,000 for the Central Puget Sound Regional Transit Project.''.

(s) CANAL STREET CORRIDOR LIGHT RAIL.—Section 3035(fff) of such Act is amended—

(1) by striking ''No later than April 30, 1992, the'' and inserting ''The''; and

(2) by striking ''negotiate'' and all that follows through ''includes'' and inserting ''make available''.

(t) SUSPENDED LIGHT RAIL SYSTEM TECHNOLOGY PILOT PROJECT.—Section 5320 of title 49, United States Code, is amended—

(1) in subsection (h)(1)(A) by striking ''for the fiscal year ending September 30, 1992,'';

(2) in subsection (h)(1)(B) by striking ''for the fiscal year ending September 30, 1993,'';

(3) in subsection (h)(1)(C) by striking ''for the fiscal year ending September 30, 1994,''; and

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

''(l) DEADLINE.—

''(1) COMPLETION OF COMPETITION.—Notwithstanding any other provision of this section, not later than 60 days after the date of the enactment of this subsection, the Secretary shall complete the national competition initiated under subsection (c) by selecting the public entity referred to in subsection (c)(3).

''(2) THEREAFTER.—Following selection of the public entity in accordance with paragraph (1)—

''(A) the Secretary shall make to such public entity the payments under subsections (h)(1)(B) and (h)(1)(C); except that such payments shall be made in the form of grants under section 5312(a); and

''(B) the Secretary, upon completion of preliminary engineering and design, shall negotiate and enter into a full financing grant agreement with such public entity under subsection (e), consistent with section 5309(g).''.

(u) ADDITIONAL TRANSIT PROJECTS.—

(1) CANTON-AKRON-CLEVELAND COMMUTER RAIL.—From funds made available under section 5309(m)(1)(B) of title 49, United States Code, the Secretary shall make available $6,500,000 for the Canton-Akron-Cleveland Commuter Rail project.

(2) CINCINNATI NORTHEAST/NORTHERN KENTUCKY RAIL.—From funds made available under such section, the Secretary shall make available $2,000,000 for the Cincinnati Northeast/Northern Kentucky Rail project.

(3) DART NORTH CENTRAL LIGHT RAIL EXTENSION.—From funds made available under such section, the Secretary shall make available $2,500,000 for the DART North Central Light Rail Extension project.

(4) DALLAS-FORT WORTH RAILTRAN.—From funds made available under such section, the Secretary shall make available $5,000,000 for the Dallas-Fort Worth RAILTRAN project.

(5) FLORIDA TRI-COUNTY COMMUTER RAIL.—From funds made available under such section, the Secretary shall make available $10,000,000 for the Florida Tri-County Commuter Rail project.

(6) MIAMI-NORTH 27TH AVENUE.—From funds made available under such section, the Secretary shall make available $2,000,000 for the Miami-North 27th Avenue project.

(7) MEMPHIS, TENNESSEE, REGIONAL RAIL PLAN.—From funds made available under such section, the Secretary shall make available $2,500,000 for the Memphis, Tennessee, Regional Rail Plan project.

(8) NEW ORLEANS CANAL STREET CORRIDOR.—From funds made available under such section, the Secretary shall make available $10,000,000 for the New Orleans Canal Street Corridor project.

(9) ORANGE COUNTY TRANSITWAY.—From funds made available under such section, the Secretary shall make available $5,000,000 for the Orange County Transitway project.

(10) WHITEHALL FERRY TERMINAL, NEW YORK, NEW YORK.—From funds made available under such section, the Secretary shall make available $5,000,000 for the Whitehall Ferry Terminal project.

(11) WISCONSIN CENTRAL COMMUTER.—From funds made available under such section, the Secretary shall make available $14,400,000 for the Wisconsin Central Commuter project.

(12) SAN JUAN, PUERTO RICO, TREN URBANO.—From funds made available under such section, the Secretary shall make available $15,000,000 for the San Juan, Puerto Rico, Tren Urbano project.

(13) TAMPA TO LAKELAND COMMUTER RAIL.—From funds made available under such section, the Secretary shall make available $1,000,000 for the Tampa to Lakeland Commuter Rail project.

SEC. 307. METROPOLITAN PLANNING FOR TRANSIT PROJECTS.

Section 5303(b) of title 49, United States Code, is amended by adding at the end the following:

''(16) recreational travel and tourism.''.

SEC. 308. CONTRACTING FOR ENGINEERING AND DESIGN SERVICES.

Section 5325 of title 49, United States Code, is amended by adding at the end the following:

''(e) SPECIAL RULES FOR ENGINEERING AND DESIGN CONTRACTS.—

''(1) PERFORMANCE AND AUDITS.—Any contract or subcontract awarded in accordance with subsection (d), whether funded in whole or in part with Federal transit funds, shall be performed and audited in compliance with cost principles contained in the Federal acquisition regulations of part 31 of title 48 of the Code of Federal Regulations.

''(2) INDIRECT COST RATES.—Instead of performing its own audits, a recipient of funds under a contract or subcontract awarded in accordance with subsection (d) shall accept indirect cost rates established in accordance with the Federal acquisition regulations for 1-year applicable accounting periods by a cognizant Federal or State government agency, if such rates are not currently under dispute. Once a firm's indirect cost rates are accepted, the recipient of such funds shall apply such rates for the purposes of contract estimation, negotiation, administration, reporting, and contract payment and shall not be limited by administrative or de facto ceilings of any kind. A recipient of such funds requesting or using the cost and rate data described in this paragraph shall notify any affected firm before such request or use. Such data shall be confidential and shall not be accessible or provided, in whole or in part, to another firm or to any government agency which is not part of the group of agencies sharing cost data under this paragraph, except by written permission of the audited firm. If prohibited by law, such cost and rate data shall not be disclosed under any circumstances.

''(3) STATE OPTION.—Paragraphs (1) and (2) shall take effect 2 years after the date of the enactment of this subsection with respect to all States; except that if a State, during such 2-year period, adopts by statute an alternative process intended to promote engineering and design quality and ensure maximum competition by professional companies of all sizes providing engineering and design services, such paragraphs shall not apply with respect to such State.''.

SEC. 309. FERRY BOATS AND TERMINAL FACILITIES.

Section 129(c)(5) of title 23, United States Code, is amended—

(1) by inserting before the period at the end of the first sentence the following: ''or between a

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point in a State and a point in the Dominion of Canada''; and

(2) in the second sentence by inserting after ''Puerto Rico'' the following: '', between a point in a State and a point in the Dominion of Canada,''.

SEC. 310. UTILIZATION OF THE PRIVATE SECTOR FOR SURVEYING AND MAPPING SERVICES.

Section 306 of title 23, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''In''; and

(2) by adding at the end the following:

''(b) GUIDANCE.—The Secretary shall issue guidance to encourage States to utilize, to the maximum extent practicable, private sector sources for surveying and mapping services for highway projects under this title. In carrying out this subsection, the Secretary shall determine appropriate roles for State and private mapping and surveying activities, including—

''(1) preparation of standards and specifications;

''(2) research in surveying and mapping instrumentation and procedures and technology transfer to the private sector;

''(3) providing technical guidance, coordination, and administration of State surveying and mapping activities; and

''(4) establishing a schedule with quantifiable goals for increasing the use by the States of private sector sources for surveying and mapping activities.''.

SEC. 311. FORMULA GRANT PROGRAM.

(a) TRANSIT SECURITY SYSTEMS.—Section 5307(d)(1)(J)(i) of title 49, United States Code, is amended by inserting before ''and any other'' the following: ''employing law enforcement or security personnel in areas within or adjacent to such systems,''.

(b) FERRYBOAT OPERATIONS.—For purposes of calculating apportionments under section 5336 of title 49, United States Code, for fiscal years beginning after September 30, 1995, 50 percent of the ferryboat revenue vehicle miles and 50 percent of the ferryboat route miles attributable to service provided to the city of Avalon, California, for which the operator receives public assistance shall be included in the calculation of ''fixed guideway vehicle revenue miles'' and ''fixed guideway route miles'' attributable to the Los Angeles urbanized area under sections 5336(b)(2)(A) and 5335 of such title.

SEC. 312. ACCESSIBILITY OF OVER-THE-ROAD BUSES TO INDIVIDUALS WITH DISABILITIES.

Section 306(a)(2)(B)(iii) of the Americans With Disabilities Act of 1990 (42 U.S.C. 12186(a)(2)(B)(iii)) is amended—

(1) in subclause (I) by striking ''7 years after the date of the enactment of this Act'' and inserting ''3 years after the date of issuance of final regulations under subparagraph (B)(ii)''; and

(2) in subclause (II) by striking ''6 years after such date of enactment'' and inserting ''2 years after the date of issuance of such final regulations''.

SEC. 313. ALASKA RAILROAD.

Section 5337(a)(3)(B) of title 49, United States Code, is amended by adding at the end the following: ''The Alaska Railroad is eligible for assistance under this subparagraph with respect to improvements to its passenger operations.''.

SEC. 314. ALCOHOL AND CONTROLLED SUBSTANCES TESTING.

(a) MASS TRANSIT TESTING.—Section 5331(b)(1)(A) of title 49, United States Code, is amended to read as follows:

''(b) TESTING PROGRAM FOR MASS TRANSPORTATION EMPLOYEES.—(1)(A) In the interest of mass transportation safety, the Secretary shall prescribe regulations that establish a program requiring mass transportation operations that receive financial assistance under section 5307, 5309, or 5311 of this title or section 103(e)(4) of title 23 to conduct preemployment, reasonable suspicion, random, and post-accident testing of mass transportation employees responsible for safety-sensitive functions (as decided by the Secretary) for the use of a controlled substance in violation of law or a United States Government regulation, and to conduct reasonable suspicion, random, and post-accident testing of such employees for the use of alcohol in violation of law or a United States Government regulation. The regulations shall permit such operations to conduct preemployment testing of such employees for the use of alcohol.''.

(b) RAILROAD TESTING.—Section 20140(b)(1)(A) of title 49, United States Code, is amended to read as follows:

''(A) a railroad carrier to conduct preemployment, reasonable suspicion, random, and post-accident testing of all railroad employees responsible for safety-sensitive functions (as decided by the Secretary) for the use of a controlled substance in violation of law or a United States Government regulation, and to conduct reasonable suspicion, random, and post-accident testing of such employees for the use of alcohol in violation of law or a United States Government regulation; the regulations shall permit such railroad carriers to conduct preemployment testing of such employees for the use of alcohol; and''.

(c) MOTOR CARRIER TESTING.—Section 31306(b)(1)(A) of such title is amended to read as follows:

''(b) TESTING PROGRAM FOR OPERATORS OF COMMERCIAL MOTOR VEHICLES.—(1)(A) In the interest of commercial motor vehicle safety, the Secretary of Transportation shall prescribe regulations that establish a program requiring motor carriers to conduct preemployment, reasonable suspicion, random, and post-accident testing of operators of commercial motor vehicles for the use of controlled substance in violation of law or a United States Government regulation and to conduct reasonable suspicion, random, and post-accident testing of such operators for the use of alcohol in violation of law or a United States Government regulation. The regulations shall permit such motor carriers to conduct preemployment testing of such employees for the use of alcohol.''.

(d) AVIATION TESTING.—

(1) PROGRAM FOR EMPLOYEES OF AIR CARRIERS AND FOREIGN AIR CARRIERS.—Section 45102(a)(1) of title 49, United States Code, is amended to read as follows:

''(a) PROGRAM FOR EMPLOYEES OF AIR CARRIERS AND FOREIGN AIR CARRIERS.—(1) In the interest of aviation safety, the Administrator of the Federal Aviation Administration shall prescribe regulations that establish a program requiring air carriers and foreign air carriers to conduct preemployment, reasonable suspicion, random, and post-accident testing of airmen, crewmembers, airport security screening contract personnel, and other air carrier employees responsible for safety-sensitive functions (as decided by the Administrator) for the use of a controlled substance in violation of law or a United States Government regulation; and to conduct reasonable suspicion, random, and post-accident testing of airmen, crewmembers, airport security screening contract personnel, and other air carrier employees responsible for safety-sensitive functions (as decided by the Administrator) for the use of alcohol in violation of law or a United States Government regulation. The regulations shall permit air carriers and foreign air carriers to conduct preemployment testing of airmen, crewmembers, airport security screening contract personnel, and other air carrier employees responsible for safety-sensitive functions (as decided by the Administrator) for the use of alcohol.''.

(2) PROGRAM FOR EMPLOYEES OF THE FEDERAL AVIATION ADMINISTRATION.—Section 45102(b)(1) of title 49, United States Code, is amended to read as follows:

''(b) PROGRAM FOR EMPLOYEES OF THE FEDERAL AVIATION ADMINISTRATION.—(1) The Administrator shall establish a program of preemployment, reasonable suspicion, random, and post-accident testing for the use of a controlled substance in violation of law or a United States Government regulation for employees of the Administration whose duties include responsibility for safety-sensitive functions and shall establish a program of reasonable suspicion, random and post-accident testing for the use of alcohol in violation of law or a United States Government regulation for such employees. The Administrator may establish a program of preemployment testing for the use of alcohol for such employees.''.

SEC. 315. ALCOHOL-IMPAIRED DRIVING COUNTERMEASURES.

(a) TECHNICAL AMENDMENT.—Section 410(d)(1)(E) of title 23, United States Code, is amended by striking ''the date of enactment of this section'' and inserting ''December 18, 1991''.

(b) BASIC GRANT ELIGIBILITY.—Section 410(d) of such title is further amended—

(1) in paragraph (3)—

(A) by inserting ''(A)'' after ''(3)''; and

(B) by adding at the end the following:

''(B) A State shall be treated as having met the requirement of this paragraph if—

''(i) the State provides to the Secretary a written certification that the highest court of the State has issued a decision indicating that implementation of subparagraph (A) would constitute a violation of the constitution of the State; and

''(ii) the State demonstrates to the satisfaction of the Secretary—

''(I) that the alcohol fatal crash involvement rate in the State has decreased in each of the 3 most recent calendar years for which statistics for determining such rate are available; and

''(II) that the alcohol fatal crash involvement rate in the State has been lower than the average such rate for all States in each of such calendar years.''; and

(2) by adding at the end the following:

''(7) Any individual under age 21 with a blood alcohol concentration of 0.02 percent or greater when driving a motor vehicle shall be deemed to be driving while intoxicated.''.

(c) SUPPLEMENTAL GRANTS.—Section 410(f) of such title is amended by striking paragraph (1) and redesignating paragraphs (2) through (7) as paragraphs (1) through (6), respectively.

SEC. 316. SAFETY RESEARCH INITIATIVES.

(a) OLDER DRIVERS AND OTHER SPECIAL DRIVER GROUPS.—

(1) STUDY.—The Secretary shall conduct a study of technologies and practices to improve the driving performance of older drivers and other special driver groups.

(2) DEMONSTRATION ACTIVITIES.—In conducting the study under paragraph (1), the Secretary shall undertake demonstration activities which incorporate and build upon gerontology research related to the study of the normal aging process. The Secretary shall initially implement such activities in those States which have the highest population of aging citizens for whom driving a motor vehicle is their primary mobility mode.

(3) COOPERATIVE AGREEMENT.—The Secretary shall carry out the study under paragraph (1) by entering into a cooperative agreement with an institution that has demonstrated competencies in gerontological research, population demographics, human factors related to transportation, and advanced technology applied to transportation.

(b) WORK ZONE SAFETY.—In carrying out the work zone safety program under section 1051 of the Intermodal Surface Transportation Efficiency Act of 1991, the Secretary shall utilize a variety of methods to increase safety at highway construction sites, including each of the following:

(1) Conferences to explore new techniques and stimulate dialogue for improving work zone safety.

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(2) Creation of a national clearinghouse to assemble and disseminate, by electronic and other means, information relating to the improvement of work zone safety.

(3) A national promotional campaign in cooperation with the States to provide timely, site-specific information to motorists when construction workers are actually present.

(c) RADIO AND MICROWAVE TECHNOLOGY FOR MOTOR VEHICLE SAFETY WARNING SYSTEM.—

(1) STUDY.—The Secretary, in consultation with the Federal Communications Commission and the National Telecommunications and Information Administration, shall conduct a study to develop and evaluate radio and microwave technology for a motor vehicle safety warning system in furtherance of safety in all types of motor vehicles.

(2) EQUIPMENT.—Equipment developed under the study to be conducted under subsection (a) shall be directed toward, but not limited to, advance warning to operators of all types of motor vehicles of—

(A) temporary obstructions in a highway;

(B) poor visibility and highway surface conditions caused by adverse weather; and

(C) movement of emergency vehicles.

(3) SAFETY APPLICATIONS.—In conducting the study under paragraph (1), the Secretary shall determine whether the technology described in this subsection has other appropriate safety applications.

SEC. 317. PUBLIC TRANSIT VEHICLES EXEMPTION.

Section 1023(h)(1) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 127 note) is amended—

(1) by striking ''2-year'' the first place it appears and all that follows through ''Act,'' and inserting ''period beginning on October 6, 1992, and ending on the date on which Federal-aid highway and transit programs are reauthorized after the date of the enactment of the National Highway System Designation Act of 1995,''; and

(2) by striking the second sentence.

SEC. 318. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.

(a) AREAS ELIGIBLE FOR FUNDS.—

(1) IN GENERAL.—The first sentence of section 149(b) of title 23, United States Code, is amended—

(A) by inserting ''if the project or program is for an area in the State that was designated as a nonattainment area under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)) during any part of fiscal year 1994 and'' after ''program'' the 2nd place it appears; and

(B) in paragraph (1)(A) by striking ''contribute'' and all that follows through ''; or'' and inserting the following: ''contribute to—

''(i) the attainment of a national ambient air quality standard; or

''(ii) the maintenance of a national ambient air quality standard in an area that was designated as a nonattainment area but that was later redesignated by the Administrator of the Environmental Protection Agency as an attainment area under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)); or''.

(2) APPORTIONMENT.—Section 104(b)(2) of title 23, United States Code, is amended—

(A) in the second sentence, by striking ''is a nonattainment area (as defined in the Clean Air Act) for ozone'' and inserting ''was a nonattainment area (as defined in section 171(2) of the Clean Air Act (42 U.S.C. 7501(2))) for ozone during any part of fiscal year 1994''; and

(B) in the third sentence—

(i) by striking ''is also'' and inserting ''was also''; and

(ii) by inserting ''during any part of fiscal year 1994'' after ''monoxide''.

(b) EFFECT OF LIMITATION ON APPORTIONMENT.—Notwithstanding any other provision of law, for each of fiscal years 1996 and 1997, any limitation under an amendment made by this section on an apportionment of funds otherwise authorized under section 1003(a)(4) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1919) shall not affect any hold harmless apportionment adjustment under section 1015(a) of such Act (105 Stat. 1943).

SEC. 319. QUALITY IMPROVEMENT.

(a) LIFE-CYCLE COST ANALYSIS.—Section 106 of title 23, United States Code, is amended by adding at the end the following:

''(e) LIFE-CYCLE COST ANALYSIS.—

''(1) ESTABLISHMENT.—The Secretary shall establish a program to require States to conduct an analysis of the life-cycle costs of all projects on the National Highway System with an estimated total cost of $25,000,000 or more.

''(2) ANALYSIS OF LIFE-CYCLE COSTS DEFINED.—In this subsection, the term 'analysis of life-cycle costs' means a process for evaluating the total economic worth of one or more projects by analyzing both initial costs as well as discounted future costs, such as maintenance, reconstruction, rehabilitation, restoring, and resurfacing costs, over the life of the project or projects.''.

(b) VALUE ENGINEERING.—Such section is further amended by adding at the end the following:

''(f) VALUE ENGINEERING FOR NHS.—

''(1) REQUIREMENT.—The Secretary shall establish a program to require States to carry out a value engineering analysis for all projects on the National Highway System with an estimated total cost of $25,000,000 or more.

''(2) VALUE ENGINEERING DEFINED.—For purposes of this subsection, the term 'value engineering analysis' means a systematic process of review and analysis of a project or activity during its design phase by a multidisciplined team of persons not originally involved in the project or activity in order to provide suggestions for reducing the total cost of the project or activity and providing a project or activity of equal or better quality. Such suggestions may include a combination or elimination of inefficient or expensive parts of the original proposed design for the project or activity and total redesign of the proposed project or activity using different technologies, materials, or methods so as to accomplish the original purpose of the project or activity.''.

SEC. 320. APPLICABILITY OF TRANSPORTATION CONFORMITY REQUIREMENTS.

(a) HIGHWAY CONSTRUCTION.—Section 109(j) of title 23, United States Code, is amended by striking ''plan for the implementation of any ambient air quality standard for any air quality control region designated pursuant to the Clean Air Act, as amended.'' and inserting the following: ''plan for—

''(1) the implementation of a national ambient air quality standard for which an area is designated as a nonattainment area under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)); or

''(2) the maintenance of a national ambient air quality standard in an area that was designated as a nonattainment area but that was later redesignated by the Administrator as an attainment area for the standard and that is required to develop a maintenance plan under section 175A of the Clean Air Act (42 U.S.C. 7505a).''.

(b) CLEAN AIR ACT REQUIREMENTS.—Section 176(c) of the Clean Air Act (42 U.S.C. 7506(c)) is amended by adding at the end the following:

''(5) APPLICABILITY.—This subsection shall apply only with respect to—

''(A) a nonattainment area and each specific pollutant for which the area is designated as a nonattainment area; and

''(B) an area that was designated as a nonattainment area but that was later redesignated by the Administrator as an attainment area and that is required to develop a maintenance plan under section 175A with respect to the specific pollutant for which the area was designated nonattainment.''.

SEC. 321. QUALITY THROUGH COMPETITION.

(a) CONTRACTING FOR ENGINEERING AND DESIGN SERVICES.—Section 112(b)(2) of title 23, United States Code, is amended by adding at the end the following new subparagraphs:

''(C) PERFORMANCE AND AUDITS.—Any contract or subcontract awarded in accordance with subparagraph (A), whether funded in whole or in part with Federal-aid highway funds, shall be performed and audited in compliance with cost principles contained in the Federal acquisition regulations of part 31 of title 48 of the Code of Federal Regulations.

''(D) INDIRECT COST RATES.—Instead of performing its own audits, a recipient of funds under a contract or subcontract awarded in accordance with subparagraph (A) shall accept indirect cost rates established in accordance with the Federal acquisition regulations for 1-year applicable accounting periods by a cognizant Federal or State government agency, if such rates are not currently under dispute. Once a firm's indirect cost rates are accepted, the recipient of such funds shall apply such rates for the purposes of contract estimation, negotiation, administration, reporting, and contract payment and shall not be limited by administrative or de facto ceilings of any kind. A recipient of such funds requesting or using the cost and rate data described in this subparagraph shall notify any affected firm before such request or use. Such data shall be confidential and shall not be accessible or provided, in whole or in part, to another firm or to any government agency which is not part of the group of agencies sharing cost data under this subparagraph, except by written permission of the audited firm. If prohibited by law, such cost and rate data shall not be disclosed under any circumstances.

''(E) STATE OPTION.—Subparagraphs (C) and (D) shall take effect 2 years after the date of the enactment of this subparagraph with respect to all States; except that if a State, during such 2-year period, adopts by statute an alternative process intended to promote engineering and design quality and ensure maximum competition by professional companies of all sizes providing engineering and design services, such subparagraphs shall not apply with respect to such State.''.

(b) REPEAL OF PILOT PROGRAM.—Section 1092 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 112 note; 105 Stat. 2024) is repealed.

SEC. 322. APPLICABILITY OF CERTAIN VEHICLE WEIGHT LIMITATIONS IN WISCONSIN.

Section 127 of title 23, United States Code, is amended by adding at the end the following:

''(f) OPERATION OF CERTAIN SPECIALIZED HAULING VEHICLES ON CERTAIN WISCONSIN HIGHWAYS.—If the 104-mile portion of Wisconsin State Route 78 and United States Route 51 between Interstate Route 94 near Portage, Wisconsin, and Wisconsin State Route 29 south of Wausau, Wisconsin, is designated as part of the Interstate System under section 139(a), the single axle weight, tandem axle weight, gross vehicle weight, and bridge formula limits set forth in subsection (a) shall not apply to the 104-mile portion with respect to the operation of any vehicle that could legally operate on the 104-mile portion before the date of enactment of this subsection.''.

SEC. 323. TREATMENT OF CENTENNIAL BRIDGE, ROCK ISLAND, ILLINOIS, AGREEMENT.

For purposes of section 129(a)(6) of title 23, United States Code, the agreement concerning the Centennial Bridge, Rock Island, Illinois, entered into under the Act entitled ''An Act authorizing the city of Rock Island, Illinois, or its assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near Rock Island, Illinois, and to a place at or near the city of Davenport, Iowa'', approved March 18, 1938 (52 Stat. 110, chapter 48), shall be treated as if the agreement had been entered

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into under section 129 of title 23, United States Code, as in effect on December 17, 1991, and may be modified in accordance with section 129(a)(6) of the title.

SEC. 324. METRIC REQUIREMENTS AND SIGNS.

(a) PLACEMENT OF SIGNS.—Before September 30, 1997, the Secretary may not require the States to expend any Federal or State funds to construct, erect, or otherwise place any sign relating to any speed limit, distance, or other measurement on any highway for the purpose of having such sign establish such speed limit, distance, or other measurement using the metric system.

(b) MODIFICATION OF SIGNS.—Before September 30, 1997, the Secretary may not require the States to expend any Federal or State funds to modify any sign relating to any speed limit, any distance, or other measurement on any highway for the purpose of having such sign establish such speed limit, distance, or measurement using the metric system.

(c) DEFINITIONS.—In this section, the following definitions apply:

(1) HIGHWAY.—The term ''highway'' has the meaning such term has under section 101 of title 23, United States Code.

(2) METRIC SYSTEM.—The term ''metric system'' has the meaning the term ''metric system of measurement'' has under section 4 of the Metric Conversion Act of 1975 (15 U.S.C. 205c).

SEC. 325. ISTEA TECHNICAL CLARIFICATION.

Section 131(s) of title 23, United States Code, is amended by striking the period at the end of the first sentence and inserting the following: ''; except that nothing in this subsection or section 1047 of the Intermodal Surface Transportation Efficiency Act of 1991 shall restrict, or otherwise be applied by the Secretary to affect, the authority of a State under subsection (d) of this section with respect to commercial or industrial areas or the authority of a State under subsection (k) of this section to establish standards imposing stricter limitations than those established in this subsection.''.

SEC. 326. METROPOLITAN PLANNING FOR HIGHWAY PROJECTS.

Section 134(f) of title 23, United States Code, is amended by adding at the end the following: ''(16) Recreational travel and tourism.''.

SEC. 327. NON-FEDERAL SHARE FOR CERTAIN TOLL BRIDGE PROJECTS.

Section 144(l) of title 23, United States Code, is amended by adding at the end the following: ''Any non-Federal funds expended for the seismic retrofit of the bridge may be credited toward the non-Federal share required as a condition of receipt of any Federal funds for seismic retrofit of the bridge made available after the date of the expenditure.''.

SEC. 328. DISCOVERY AND ADMISSION AS EVIDENCE OF CERTAIN REPORTS AND SURVEYS.

Section 409 of title 23, United States Code, is amended by inserting ''or collected'' after ''compiled''.

SEC. 329. NATIONAL RECREATIONAL TRAILS.

(a) STATE ELIGIBILITY.—Section 1302(c) of the Intermodal Surface Transportation Efficiency Act of 1991 (33 U.S.C. 1261(c)) is amended—

(1) by striking ''Act'' each place it appears and inserting ''part'';

(2) in paragraph (2) by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(3) by adding at the end the following:

''(3) SIXTH YEAR PROVISION.—On and after the date that is 5 years after the date of the enactment of this part, a State shall be eligible to receive moneys under this part in a fiscal year only if the State agrees to expend from non-Federal sources for carrying out projects under this part an amount equal to 20 percent of the amount received by the State under this part in such fiscal year.''.

(b) ADMINISTRATIVE COSTS.—Section 1302(d)(1) of such Act (33 U.S.C. 1261(d)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (E); and

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

''(D) contracting for services with other land management agencies; and''.

(c) ENVIRONMENTAL MITIGATION.—

(1) IN GENERAL.—Section 1302(e) of such Act (33 U.S.C. 1261(e)) is amended—

(A) by redesignating paragraphs (5), (6), (7), and (8) as paragraphs (6), (7), (8), and (9), respectively; and

(B) by inserting after paragraph (4) the following:

''(5) ENVIRONMENTAL MITIGATION.—

''(A) REQUIREMENT.—To the extent practicable and consistent with other requirements of this section, in complying with paragraph (4), a State shall give priority to project proposals which provide for the redesign, reconstruction, nonroutine maintenance, or relocation of trails in order to mitigate and minimize the impact to the natural environment.

''(B) COMPLIANCE.—The State shall receive guidance for determining compliance with subparagraph (A) from the recreational trail advisory board satisfying the requirements of subsection (c)(2)(A).''.

(2) CONFORMING AMENDMENT.—Section 1302(e)(4) of such Act (33 U.S.C. 1261(e)(4)) is amended by striking ''paragraphs (6) and (8)(B)'' and inserting ''paragraphs (7) and (9)(B)''.

(d) EXCLUSIONS.—Section 1302(e)(7) of such Act, as redesignated by subsection (c), is amended—

(1) by striking ''(7) SMALL STATE EXCLUSION.—'' and inserting the following:

''(7) EXCLUSIONS.—

''(A) SMALL STATE.—'';

(2) by moving the text of subparagraph (A), as designated by paragraph (1), 2 ems to the right; and

(3) by adding at the end the following:

''(B) BEST INTEREST OF A STATE.—Any State which determines based on trail needs identified in its State Comprehensive Outdoor Recreation Plan that it is in the best interest of the State to be exempt from the requirements of paragraph (4) may apply to the Secretary for such an exemption. Before approving or disapproving an application for such an exemption, the Secretary shall publish in the Federal Register notice of receipt of the application and provide an opportunity for public comment on the application.''.

(e) RETURN OF MONEYS NOT EXPENDED.—Section 1302(e)(9) of such Act, as redesignated by subsection (c), is amended—

(1) by inserting ''the State'' before ''may be exempted''; and

(2) by striking ''and expended or committed'' and all that follows before the period.

(f) ADVISORY COMMITTEE.—Section 1303(b) of such Act (16 U.S.C. 1262(b)) is amended—

(1) by striking ''11 members'' and inserting ''12 members'';

(2) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively; and

(3) by inserting after paragraph (1) the following:

''(2) 1 member appointed by the Secretary representing individuals with disabilities;''.

SEC. 330. IDENTIFICATION OF HIGH PRIORITY CORRIDORS.

(a) IN GENERAL.—Section 1105(c) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2032) is amended—

(1) by striking paragraph (5) and inserting the following:

''(5)(A) I–73/74 North-South Corridor from Charleston, South Carolina, through Winston-Salem, North Carolina, to Portsmouth, Ohio, to Cincinnati, Ohio, to termini at Detroit, Michigan and Sault Ste. Marie, Michigan. The Sault Ste. Marie terminus shall be reached via a corridor connecting Adrian, Jackson, Lansing, Mount Pleasant, and Grayling, Michigan.

''(B)(i) In the Commonwealth of Virginia, the Corridor shall generally follow—

''(I) United States Route 220 from the Virginia-North Carolina border to I–581 south of Roanoke;

''(II) I–581 to I–81 in the vicinity of Roanoke;

''(III) I–81 to the proposed highway to demonstrate intelligent transportation systems authorized by item 29 of the table in section 1107(b) in the vicinity of Christiansburg to United States Route 460 in the vicinity of Blacksburg; and

''(IV) United States Route 460 to the West Virginia State line.

''(ii) In the States of West Virginia, Kentucky, and Ohio, the Corridor shall generally follow—

''(I) United States Route 460 from the West Virginia State line to United States Route 52 at Bluefield, West Virginia; and

''(II) United States Route 52 to United States Route 23 at Portsmouth, Ohio.

''(iii) In the States of North Carolina and South Carolina, the Corridor shall generally follow—

''(I) in the case of I–73—

''(aa) United States Route 220 from the Virginia State line to State Route 68 in the vicinity of Greensboro;

''(bb) State Route 68 to I–40;

''(cc) I–40 to United States Route 220 in Greensboro;

''(dd) United States Route 220 to United States Route 1 near Rockingham;

''(ee) United States Route 1 to the South Carolina State line; and

''(ff) South Carolina State line to Charleston, South Carolina; and

''(II) in the case of I–74—

''(aa) I–77 from Bluefield, West Virginia, to the junction of I–77 and the United States Route 52 connector in Surry County, North Carolina;

''(bb) the I–77/United States Route 52 connector to United States Route 52 south of Mount Airy, North Carolina;

''(cc) United States Route 52 to United States Route 311 in Winston-Salem, North Carolina;

''(dd) United States Route 311 to United States Route 220 in the vicinity of Randleman, North Carolina.

''(ee) United States Route 220 to United States Route 74 near Rockingham;

''(ff) United States Route 74 to United States Route 76 near Whiteville;

''(gg) United States Route 74/76 to the South Carolina State line in Brunswick County; and

''(hh) South Carolina State line to Charleston, South Carolina.'';

(2) in paragraph (18)—

(A) by striking ''and'';

(B) by inserting ''Mississippi, Arkansas,'' after ''Tennessee,''; and

(C) by inserting before the period at the end the following: '', and to the Lower Rio Grande Valley at the border between the United States and Mexico'';

(3) by inserting before the period at the end of paragraph (18) the following: '', and to include the Corpus Christi Northside Highway and Rail Corridor from the existing intersection of United States Route 77 and Interstate Route 37 to United States Route 181''; and

(4) by adding at the end the following:

''(22) The Alameda Transportation Corridor along Alameda Street from the entrance to the ports of Los Angeles and Long Beach to Interstate 10, Los Angeles, California.

''(23) The Interstate Route 35 Corridor from Laredo, Texas, through Oklahoma City, Oklahoma, to Wichita, Kansas, to Kansas City, Kansas/Missouri, to Des Moines, Iowa, to Minneapolis, Minnesota, to Duluth, Minnesota.

''(24) The Dalton Highway from Deadhorse, Alaska to Fairbanks, Alaska.

''(25) State Route 168 (South Battlefield Boulevard), Virginia, from the Great Bridge Bypass to the North Carolina State line.

''(26) The CANNAMEX CORRIDOR from Nogales, Arizona, through Las Vegas, Nevada, to Salt Lake City, Utah, to Idaho Falls, Idaho, to Great Falls, Montana, to the Canadian Border as follows:

''(A) In the State of Arizona, the CANAMEX CORRIDOR shall generally follow—

''(i) I–19 from Nogales to Tucson;

''(ii) I–10 from Tucson to Phoenix; and

''(iii) United States Route 93 from Phoenix to the Nevada Border.

''(B) In the State of Nevada, the CANAMEX CORRIDOR shall follow—

''(i) United States Route 93 from the Arizona Border to Las Vegas; and

''(ii) I–15 from Las Vegas to the Utah Border.

''(C) From the Utah Border to the Canadian Border, the CANAMEX CORRIDOR shall follow I–15.

''(27) The Camino Real Corridor from El Paso, Texas, to Denver, Colorado, as follows:

''(A) In the State of Texas, the Camino Real Corridor shall generally follow—

''(i) arterials from the international ports of entry to I–10 in El Paso County; and

''(ii) I–10 from El Paso County to the New Mexico border.

''(B) In the State of New Mexico, the Camino Real Corridor shall generally follow—

''(i) I–10 from the Texas Border to Las Cruces; and

''(ii) I–25 from Las Cruces to the Colorado Border.

''(C) In the State of Colorado, the Camino Real Corridor shall generally follow I–25 from the New Mexico Border to Denver.''.

(b) INCLUSION OF CERTAIN ROUTE SEGMENTS ON INTERSTATE SYSTEM.—Section 1105(e) of such Act (105 Stat. 2033) is amended by adding at the end the following:

''(5) INCLUSION OF CERTAIN ROUTE SEGMENTS ON INTERSTATE SYSTEM.—Where not a part of the Interstate System, the routes referred to in clauses (i), (ii), and (iii) of subsection (c)(5)(B) (other than the portion located in the State of West Virginia), in subsection (c)(9), and in subsections (c)(18) and (c)(20) are hereby designated future parts of the Interstate System. Any segment of such routes shall become a part of the Interstate System at such time as the Secretary determines that the segment—

''(A) meets the Interstate System design standards approved by the Secretary under section 109(b) of title 23, United States Code; and

''(B) connects to an existing Interstate System segment and functions as a safe and usable segment.''.

SEC. 331. HIGH PRIORITY CORRIDOR FEASIBILITY STUDIES.

(a) EVACUATION ROUTES FOR LOUISIANA COASTAL AREAS.—Section 1105(e)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2033) is amended by adding at the end the following new sentence: ''A feasibility study may be conducted under this subsection to identify routes that will expedite future emergency evacuations of coastal areas of Louisiana.''.

(b) EAST-WEST TRANSAMERICA CORRIDOR.—With amounts available to the Secretary under section 1105(h) of the Intermodal Surface Transportation Efficiency Act of 1991, the Secretary in cooperation with the States of Virginia and West Virginia shall conduct a study to determine the feasibility of establishing a route for the East-West Transamerica Corridor (designated pursuant to section 1105(c)(3) of such Act) from Beckley, West Virginia, utilizing a corridor entering Virginia near the city of Covington then moving south from the Allegheny Highlands to serve Roanoke and continuing east to Lynchburg. From there such route would continue across Virginia to the Hampton Roads-Norfolk area.

SEC. 332. HIGH COST BRIDGE PROJECTS.

The table contained in section 1103(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027–2028) is amended—

(1) in item number 5, relating to Gloucester Point, Virginia, by inserting after ''York River'' the following: ''and for repair, strengthening, and rehabilitation of the existing bridge''; and

(2) in item number 10, relating to Shakopee, Minnesota, by inserting ''project, including the bypass of'' after ''replacement''.

SEC. 333. CONGESTION RELIEF PROJECTS.

The table contained in section 1104(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2029–2031) is amended—

(1) in item number 1, relating to Long Beach, California, by striking ''HOV Lanes on'' and inserting ''downtown Long Beach access ramps into the southern terminus of'';

(2) in item number 10, relating to San Diego, California, by striking ''1 block of Cut and Cover Tunnel on Rt. 15'' and inserting ''bridge decking on Route 15'';

(3) in item number 23, relating to Tucson, Arizona, by inserting '', of which a total of $3,609,620 shall be available for the project authorized by item number 74 of the table contained in section 1106(b)'' after ''in Tuscon, Arizona''; and

(4) in item number 43, relating to West Virginia, by striking ''Coal Fields'' and inserting ''Coalfields''.

SEC. 334. HIGH PRIORITY CORRIDORS ON NATIONAL HIGHWAY SYSTEM.

Section 1105(c)(3) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2032) is amended by inserting before the period at the end the following: ''commencing on the Atlantic Coast in the Hampton Roads-Norfolk area going westward across Virginia to a West Virginia corridor centered around Beckley to Welch as part of the Coalfields Expressway described in section 1069(v), then to Williamson sharing a common corridor with the I–73/74 Corridor (referred to in item 12 of the table contained in subsection (f)), then to a Kentucky Corridor centered on the cities of Pikeville, Jenkins, Hazard, London, Somerset, Columbia, Bowling Green, Hopkinsville, Benton, and Paducah, into Illinois, and into Missouri and exiting Western Missouri and entering the southeast corner of Kansas''.

SEC. 335. HIGH PRIORITY CORRIDOR PROJECTS.

The table contained in section 1105(f) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2033–2035) is amended—

(1) in item 1, relating to Pennsylvania, by inserting after ''For'' the following: ''the segment described in item 6 of this table and up to $11,000,000 for'';

(2) in item 2, relating to Alabama, Georgia, Mississippi, Tennessee, by inserting after ''Rt. 72'' the following: ''and up to $1,500,000 from the State of Alabama's share of the project for modification of the Keller Memorial Bridge in Decatur, Alabama, to a pedestrian structure''; and

(3) in item number 26, relating to Indiana, Kentucky, Tennessee, by striking ''Newberry'' and inserting ''Evansville''.

SEC. 336. RURAL ACCESS PROJECTS.

The table contained in section 1106(a)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2037–2042) is amended—

(1) in item number 34, relating to Illinois, by striking ''Resurfacing'' and all that follows through ''Omaha'' and inserting ''Bel-Air Road improvement from south of Carmi to State Route 141 in southeastern White County'';

(2) in item number 52, relating to Bedford Springs, Pennsylvania, by striking ''and Huntington'' and inserting ''Franklin, and Huntingdon'';

(3) in item number 61, relating to Lubbock, Texas, by striking ''with Interstate 20'' and inserting ''with Interstate 10 through Interstate 20 and Interstate 27 north of Amarillo to the Texas/Oklahoma border'';

(4) in item number 71, relating to Chautauqua County, New York, by inserting ''and other improvements'' after ''expressway lanes'';

(5) in item number 75, relating to Pennsylvania, by striking ''Widen'' and all that follows through ''lanes'' and inserting ''Road improvements on a 14-mile segment of U.S. Route 15 in Lycoming County, Pennsylvania'';

(6) in item number 93, relating to New Mexico, by striking ''Raton-Clayton Rd., Clayton, New Mexico'' and inserting ''U.S. Rt. 64/87 from Raton, New Mexico, through Clayton to the Texas-New Mexico State line''; and

(7) in item number 111, relating to Parker County, Texas (SH199)—

(A) by striking ''Parker County'' and inserting ''Parker and Tarrant Counties''; and

(B) by striking ''to four-'' and inserting ''in Tarrant County, to freeway standards and in Parker County to a 4-''.

SEC. 337. URBAN ACCESS AND MOBILITY PROJECTS.

The table contained in section 1106(b)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2043–2047) is amended—

(1) in item number (9), relating to New York, New York, by striking ''Improvements'' and all that follows through ''NY'' and inserting ''Projects in New York City, New York (other than improvements to the Miller Highway)'';

(2) in item number 13, relating to Joliet, Illinois, by striking ''and construction and interchange at Houbolt Road and I–80'';

(3) in item number 36, relating to Compton, California, by striking ''For a grade'' and all that follows through ''Corridor'' and inserting ''For grade separations and other improvements in the city of Compton, California''; and

(4) in item number 52, relating to Chicago, Illinois, by striking ''Right-of-way'' and all that follows through ''Connector)'' and inserting ''Reconstruct the Michigan Avenue viaduct''.

SEC. 338. INNOVATIVE PROJECTS.

The table contained in section 1107(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2048–2059) is amended—

(1) in item 19, relating to Water Street, Pennsylvania—

(A) by striking ''Water Street,''; and

(B) by inserting '', or other projects in the counties of Bedford, Blair, Centre, Franklin, and Huntingdon as selected by the State of Pennsylvania'' after ''Pennsylvania'' the second place it appears;

(2) in item 20, relating to Holidaysburg, Pennsylvania—

(A) by striking ''Holidaysburg,'' the first place it appears; and

(B) by inserting '', or other projects in the counties of Bedford, Blair, Centre, Franklin, and Huntingdon as selected by the State of Pennsylvania'' after ''Pennsylvania'' the second place it appears;

(3) in item number 24, relating to Pennsylvania, by inserting after ''line'' the following: ''and for the purchase, rehabilitation, and improvement of any similar existing facility within a 150-mile radius of such project, as selected by the State of Pennsylvania'';

(4) in item number 29, relating to Blacksburg, Virginia, by inserting ''methods of facilitating public and private participation in'' after ''demonstrate'';

(5) in item number 35, relating to Alabama, by striking ''to bypass'' and all that follows through ''I–85'' and inserting ''beginning on U.S. Route 80 west of Montgomery, Alabama, and connecting to I–65 south of Montgomery and I–85 east of Montgomery'';

(6) in item 49, relating to Suffolk County, New York, by inserting after ''perimeters'' the following: ''and provide funds to the towns of Brookhaven, Riverhead, Smithtown, East Hampton, Southold, Shelter Island, and Southampton for the purchase of vehicles to meet the transportation needs of the elderly and persons with disabilities'';

(7) in item number 52, relating to Pennsylvania, by striking ''2'' and all that follows

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through ''Pennsylvania'' and inserting ''or rehabilitate (or both) highway and transportation infrastructure projects within 30 miles of I–81 or I–80 in northeastern Pennsylvania'';

(8) in item number 61, relating to Mojave, California, by striking ''Mojave'' and inserting ''Victorville'' and by inserting ''Mojave'' after ''reconstruct'';

(9) in item number 68, relating to Portland/S. Portland, Maine—

(A) by striking ''Portland/S. Portland,''; and

(B) by inserting after ''Bridge'' the following: ''and improvements to the Carlton Bridge in Bath-Woolworth'';

(10) in item number 76, relating to Tennessee, by inserting ''Improved access to'' before ''I–81'' and striking ''Interchange'' and inserting after ''Tennessee'' the following: ''via improvements at I–181/Eastern Star Road and I–81/Kendrick Creek Road'';

(11) in item number 100, relating to Arkansas, by striking ''Thornton'' and inserting ''Little Rock'';

(12) in item number 113, relating to Durham County, North Carolina, by inserting after ''Route 147'' the following: '', including the interchange at I–85'';

(13) in item number 114, relating to Corpus Christi to Angleton, Texas, by striking ''Construct new multi-lane freeway'' and inserting ''Construct a 4-lane divided highway'';

(14) in item number 193, relating to Corning, New York, by inserting ''and other improvements'' after ''expressway lanes''; and

(15) in item 196, relating to Orlando, Florida—

(A) by striking ''Orlando,''; and

(B) by striking ''Land'' and all that follows through ''project'' and inserting ''One or more regionally significant, intercity ground transportation projects''.

SEC. 339. INTERMODAL PROJECTS.

The table contained in section 1108(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2060–2063) is amended—

(1) in item number 12, relating to Buffalo, New York, by inserting after ''Project'' the following: ''and the Crossroads Arena Project'';

(2) in item number 31, relating to Los Angeles, California, by striking ''To improve ground access from Sepulveda Blvd. to Los Angeles, California'' and inserting the following: ''For the Los Angeles International Airport central terminal ramp access project, $3,500,000; for the widening of Aviation Boulevard south of Imperial Highway, $3,500,000; for the widening of Aviation Boulevard north of Imperial Highway, $1,000,000; and for transportation systems management improvements in the vicinity of the Sepulveda Boulevard/Los Angeles International Airport tunnel, $950,000''; and

(3) in item 33, relating to Orange County, New York, strike ''Stuart Airport Interchange Project'' and insert ''Stewart Airport interchange projects''.

SEC. 340. MISCELLANEOUS REVISIONS TO SURFACE TRANSPORTATION AND UNIFORM RELOCATION ASSISTANCE ACT OF 1987.

(a) CALIFORNIA.—Section 149(a)(69) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 191), relating to Burbank-Glendale-Pasadena Airport, California, is amended—

(1) in the first sentence by striking ''highway'';

(2) in the first sentence by striking ''and construction of terminal and parking facilities at such airport''; and

(3) by striking ''by making'' in the second sentence and all that follows through the period at the end of such sentence and inserting the following: ''by preparing a feasibility study and conducting preliminary engineering, design, and construction of a link between such airport and the commuter rail system that is being developed by the Los Angeles County Metropolitan Transportation Authority.''.

(b) LOUISIANA.—

(1) RURAL ACCESS PROJECT.—

(A) RESCISSION.—Effective October 1, 1995, the unobligated balances on September 30, 1995, of funds made available for section 149(a)(87) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 194; relating to West Calcasieu Parish, Louisiana) are hereby rescinded.

(B) FUNDING.—Item number 17 of the table contained in section 1106(a)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2038), relating to Lake Charles, Louisiana, is amended by striking ''4.1'' and inserting ''8.8''.

(2) I–10 EXIT RAMP AND OTHER PROJECTS.—Section 149(a)(89) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 191) is amended—

(A) by inserting ''AND LAKE CHARLES'' after ''LAFAYETTE'' in the paragraph heading; and

(B) by inserting before the period at the end ''and, of amounts made available to carry out this paragraph, may use up to $456,022 to carry out a comprehensive transportation and land use plan for Lafayette, Louisiana, $1,000,000 to carry out a project to construct an exit ramp from the eastbound side of Interstate Route I–10 to Ryan Street in Lake Charles, Louisiana, and $269,661 under this paragraph for projects described in section 149(a)(90)''.

(3) CONTRABAND BRIDGE.—Section 149(a)(90) of such Act (101 Stat. 191) is amended—

(A) by inserting ''AND LAKE CHARLES'' after ''LAFAYETTE'' in the paragraph heading; and

(B) by inserting ''and a project to construct the Contraband Bridge portion of the Nelson Access Road Project'' before the period at the end.

(c) PENNYSLVANIA.—Section 149(a)(74) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 192) is amended by inserting before the period at the end the following: ''and other projects in the counties of Bedford, Blair, Centre, Franklin, and Huntingdon, Pennsylvania''.

(d) MARYLAND.—Section 149(a)(92) of such Act (101 Stat. 194) is amended—

(1) by striking ''UNITED STATES ROUTE 48'' and inserting ''WASHINGTON AND FREDERICK COUNTIES''; and

(2) by inserting ''and to construct an interchange between Interstate Route I–70 and Interstate Route I–270 in Frederick County, Maryland'' after ''Mountain Road''.

(e) BUS TESTING FACILITY.—Section 5318 of title 49, United States Code, is amended—

(1) in subsection (b) by inserting ''or cooperative agreement'' after ''contract'' each place it appears; and

(2) by adding at the end the following:

''(f) CONVERSION OF CONTRACTS.—The Secretary may convert existing contracts entered into under this section into cooperative agreements.''.

SEC. 341. ELIGIBILITY.

(a) EXISTING PROJECT.—Section 108(b) of the Federal-Aid Highway Act of 1956 (23 U.S.C. 101 note) is amended—

(1) by striking ''(1)'' before ''such costs may be further''; and

(2) by striking '', and (2) the amount of such costs shall not include the portion of the project between High Street and Causeway Street''.

(b) OTHER EXISTING PROJECTS.—

(1) RECONSTRUCTION AND WIDENING.—The project authorized by section 162 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2136) shall include reconstruction and widening to 6 lanes of existing Interstate Route 95 and of the Pennsylvania Turnpike from United States Route 1 to the junction with the New Jersey Turnpike, including the structure over the Delaware River.

(2) FEDERAL SHARE.—Notwithstanding any other provision of law, the Federal share payable on account of the project referred to in paragraph (1), including the additional through roadway and bridge travel lanes, shall be 90 percent of the cost of the project.

(3) TOLLS.—Notwithstanding section 301 of title 23, United States Code, the project for construction of an interchange between the Pennsylvania Turnpike and Interstate Route 95, including the widening of the Pennsylvania Turnpike, shall be treated as a reconstruction project described in section 129(a)(1)(B) of such title and tolls may be continued on all traffic on the Pennsylvania Turnpike between United States Route 1 and the New Jersey Turnpike.

(c) TYPE II NOISE BARRIERS.—No funds made available out of the Highway Trust Fund may be used to construct Type II noise barriers (as defined by section 772.5(i) of title 23, Code of Federal Regulations) pursuant to sections 109 (h) and (i) of title 23, United States Code if such barriers were not part of a project approved by the Secretary before the date of the enactment of this Act.

SEC. 342. ORANGE COUNTY, CALIFORNIA, TOLL ROADS.

The Secretary shall enter into an agreement modifying the agreement entered into pursuant to section 339 of the Department of Transportation and Related Agencies Appropriations Act, 1993 (Public Law 102–338) to conform such agreement to the provisions of section 336 of the Department of Transportation and Related Agencies Appropriations Act, 1995 (Public Law 103–331). Nothing in this section shall be construed to change the amount of the previous appropriation in such section 339, and the line of credit provided for shall not exceed an amount supported by the previous appropriation. In implementing such sections 336 and 339, the Secretary may enter into an agreement requiring an interest rate that is higher than the rate specified in such sections.

SEC. 343. MISCELLANEOUS STUDIES.

(a) PAN AMERICAN HIGHWAY.—

(1) STUDY.—The Secretary shall conduct a study on the adequacy of and the need for improvements to the Pan American Highway.

(2) ELEMENTS.—The study to be conducted under paragraph (1) shall include, at a minimum, the following elements:

(A) Findings on the benefits of constructing a highway at Darien Gap, Panama and Colombia.

(B) Recommendations for a self-financing arrangement for completion and maintenance of the Pan American Highway.

(C) Recommendations for establishing a Pan American highway authority to monitor financing, construction, maintenance, and operations of the Pan American Highway.

(D) Findings on the benefits to trade and prosperity of a more efficient Pan American Highway.

(E) Findings on the benefits to United States industry through the use of United States technology and equipment in construction of improvements to the Pan American Highway.

(F) Findings on environmental considerations, including environmental considerations relating to the Darien Gap.

(3) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall transmit to Congress a report on the results of the study conducted under this subsection.

(b) HIGHWAY SIGNS FOR NATIONAL HIGHWAY SYSTEM.—The Secretary shall conduct a study to determine the cost, need, and efficacy of establishing a highway sign for identifying routes on the National Highway System. In conducting such study, the Secretary shall make a determination concerning whether to identify National Highway System route numbers.

(c) COMPLIANCE WITH BUY AMERICAN ACT.—

(1) STUDY.—The Secretary shall conduct a study on compliance with the provisions of the Buy American Act (41 U.S.C. 10a–10c) with respect to contracts entered into using amounts made available from the Highway Trust Fund.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary

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shall transmit to Congress a report on the results of the study conducted under paragraph (1).

SEC. 344. COLLECTION OF BRIDGE TOLLS.

Notwithstanding any other provisions of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall continue to be collected for only those vehicles exiting from such bridge in Staten Island.

SEC. 345. NATIONAL DRIVER REGISTER.

Section 30308(a) of title 49, United States Code, is amended by striking ''and $2,550,000 for fiscal year 1995'' and inserting ''and $2,550,000 for each of fiscal years 1995 and 1996''.

SEC. 346. ROADSIDE BARRIER TECHNOLOGY.

Section 1058 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 109 note; 105 Stat. 2003) is amended—

(1) in subsection (a) by striking ''median'' and inserting ''or temporary crashworthy'';

(2) in subsection (a) by inserting ''crashworthy'' after ''innovative'';

(3) in the heading of subsection (c) by inserting ''CRASHWORTHY'' after ''INNOVATIVE'';

(4) in subsection (c) by inserting ''crashworthy'' after ''innovative'';

(5) in subsection (c) by striking ''median'';

(6) by inserting ''or guiderail'' after ''guardrail''; and

(7) by inserting before the period at the end of subsection (c) '', and meets or surpasses the requirements of the National Cooperative Highway Research Program 350 for longitudinal barriers''.

SEC. 347. MOTORIST CALL BOXES.

(a) EFFECTIVE CONTROL.—Section 131(c) of title 23, United States Code, is amended—

(1) by striking ''and (5)'' and inserting the following: ''(5) signs, displays, and devices identifying and announcing free motorist aid call boxes and advertising their sponsorship by corporations or other organizations, and (6)''; and

(2) by adding at the end the following new sentence: ''The Secretary shall ensure that spacing of signs, displays, and devices announcing motorist aid call boxes is reasonable.''.

(b) SPECIFIC SERVICE SIGNS.—Section 131(f) of title 23, United States Code, is amended by adding at the end the following: ''For purposes of this subsection, the term 'specific information in the interest of the traveling public' includes identification, announcement, and sponsorship of motorist aid call boxes.''.

SEC. 348. REPEAL OF NATIONAL MAXIMUM SPEED LIMIT COMPLIANCE PROGRAM.

Sections 141(a) and 154 of title 23, United States Code, and the item relating to section 154 in the analysis to chapter 1 of such title are repealed.

SEC. 349. ELIMINATION OF PENALTY FOR NONCOMPLIANCE FOR MOTORCYCLE HELMETS.

Subsection (h) of section 153 of title 23, United States Code, is amended by striking ''a law described in subsection (a)(1) and'' each place it appears.

SEC. 350. SAFETY REST AREAS.

Section 120(c) of title 23, United States Code, is amended by inserting ''safety rest areas,'' after ''signalization,''.

SEC. 351. EXEMPTIONS FROM REQUIREMENTS RELATING TO COMMERCIAL MOTOR VEHICLES AND THEIR OPERATORS.

(a) EXEMPTIONS.—

(1) TRANSPORTATION OF AGRICULTURAL COMMODITIES AND FARM SUPPLIES.—Regulations prescribed by the Secretary under sections 31136 and 31502 of title 49, United States Code, regarding maximum driving and on-duty time for drivers used by motor carriers shall not apply to drivers transporting agricultural commodities or farm supplies for agricultural purposes in a State if such transportation is limited to an area within a 100 air mile radius from the source of the commodities or the distribution point for the farm supplies and is during the planting and harvesting seasons within such State, as determined by the State.

(2) TRANSPORTATION AND OPERATION OF GROUND WATER WELL DRILLING RIGS.—Such regulations shall, in the case of a driver of a commercial motor vehicle who is used primarily in the transportation and operation of a ground water well drilling rig, permit any period of 8 consecutive days to end with the beginning of an off-duty period of 24 or more consecutive hours for the purposes of determining maximum driving and on-duty time.

(3) TRANSPORTATION OF CONSTRUCTION MATERIALS AND EQUIPMENT.—Such regulations shall, in the case of a driver of a commercial motor vehicle who is used primarily in the transportation of construction materials and equipment, permit any period of 8 consecutive days to end with the beginning of an off-duty period of 24 or more consecutive hours for the purposes of determining maximum driving and on-duty time.

(4) DRIVERS OF UTILITY SERVICE VEHICLES.—Such regulations shall, in the case of a driver of a utility service vehicle, permit any period of 8 consecutive days to end with the beginning of an off-duty period of 24 or more consecutive hours for the purposes of determining maximum driving and on-duty time.

(5) SNOW AND ICE REMOVAL.—A State may waive the requirements of chapter 313 of title 49, United States Code, with respect to a vehicle that is being operated within the boundaries of an eligible unit of local government by an employee of such unit for the purpose of removing snow or ice from a roadway by plowing, sanding, or salting. Such waiver authority shall only apply in a case where the employee is needed to operate the vehicle because the employee of the eligible unit of local government who ordinarily operates the vehicle and who has a commercial drivers license is unable to operate the vehicle or is in need of additional assistance due to a snow emergency.

(b) EFFECTIVE DATE.—The provisions of subsection (a) shall take effect 180 days after the date of the enactment of this Act.

(c) REVIEW BY THE SECRETARY.—The Secretary may conduct a rulemaking proceeding to determine whether granting any exemption provided by subsection (a) is not in the public interest and would have a significant adverse impact on the safety of commercial motor vehicles. If, at any time, the Secretary determines that granting such exemption would not be in the public interest and would have a significant adverse impact on the safety of commercial motor vehicles, then the Secretary may prevent the exemption from going into effect, modify the exemption, or revoke the exemption.

(d) DEFINITIONS.—In this section, the following definitions apply:

(1) 8 CONSECUTIVE DAYS.—The term ''8 consecutive days'' means the period of 8 consecutive days beginning on any day at the time designated by the motor carrier for a 24-hour period.

(2) 24-HOUR PERIOD.—The term ''24-hour period'' means any 24-consecutive hour period beginning at the time designated by the motor carrier for the terminal from which the driver is normally dispatched.

(3) GROUND WATER WELL DRILLING RIG.—The term ''ground water well drilling rig'' means any vehicle, machine, tractor, trailer, semi-trailer, or specialized mobile equipment propelled or drawn by mechanical power and used on highways to transport water well field operating equipment, including water well drilling and pump service rigs equipped to access ground water.

(4) TRANSPORTATION OF CONSTRUCTION MATERIALS AND EQUIPMENT.—The term ''transportation of construction materials and equipment'' means the transportation of construction materials, construction finished related products, construction personnel, and construction equipment by a driver within a 50 air mile radius of the normal work reporting location of the driver.

(5) ELIGIBLE UNIT OF LOCAL GOVERNMENT.—The term ''eligible unit of local government'' means a city, town, borough, county, parish, district, or other public body created by or pursuant to State law which has a total population of 3,000 individuals or less.

(6) UTILITY SERVICE VEHICLE.—The term ''utility service vehicle'' means any motor vehicle, regardless of gross weight—

(A) used on highways in interstate or intrastate commerce in the furtherance of building, repairing, expanding, improving, maintaining, or operating any structures, facilities, excavations, poles, lines, or any other physical feature necessary for the delivery of public utility services, including the furnishing of electric, water, sanitary sewer, telephone, and television cable or community antenna service;

(B) while engaged in any activity necessarily related to the ultimate delivery of such public utility services to consumers, including travel or movement to, from, upon, or between activity sites (including occasional travel or movement outside the service area necessitated by any utility emergency as determined by the utility provider); and

(C) except for any occasional emergency use, operated primarily within the service area of a utility's subscribers or consumers, without regard to whether the vehicle is owned, leased, or rented or otherwise contracted for by the utility.

SEC. 352. TRAFFIC CONTROL SIGNS.

Traffic control signs referred to in the experimental project conducted in the State of Oregon in December 1991 shall be deemed to comply with the requirements of section 2B–4 of the Manual on Uniform Traffic Control Devices of the Department of Transportation.

SEC. 353. BRIGHTMAN STREET BRIDGE, FALL RIVER HARBOR, MASSACHUSETTS.

Notwithstanding any other provision of law, the Brightman Street Bridge in Fall River Harbor, Massachusetts, may be reconstructed to result in a clear channel width of less than 300 feet.

SEC. 354. MOTOR CARRIER SAFETY PROGRAM.

Section 31136(e) of title 49, United States Code, is amended—

(1) by inserting ''(1) IN GENERAL.—'' before ''After notice'';

(2) by indenting paragraph (1), as designated by paragraph (1) of this section, and moving paragraph (1), as so redesignated, 2 ems to the right; and

(3) by adding the following at the end:

''(2) MOTOR CARRIER SAFETY PROGRAM.—

''(A) IN GENERAL.—The Secretary, within 180 days of the application of an operator of motor vehicles with a gross vehicle weight rating of at least 10,001 pounds but not more than 26,000 pounds, shall exempt some or all of such vehicles and drivers of such vehicles from some or all of the regulations prescribed under this section and sections 504 and 31502 of this title if the Secretary finds such applicant—

''(i) has a current satisfactory safety fitness rating issued by the Secretary; and

''(ii) will implement a program of safety management controls designed to achieve a level of operational safety equal to or greater than that resulting from compliance with the regulations prescribed under this section.

The Secretary shall modify the exemption if there is a material change in the regulations prescribed under such sections. In granting such exemptions, the Secretary shall ensure that approved participants in the motor carrier safety program are subject to a minimum of paperwork and regulatory burdens.

''(B) MONITORING; EXEMPTION PERIOD.—The Secretary and participants in the program established by this paragraph shall periodically monitor the safety of vehicles and drivers exempted from regulations under the program. An exemption approved under subparagraph (A)

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shall remain in effect until such time as the Secretary finds—

''(i) that the operator has exceeded the average ratio of preventable accidents to vehicle miles travelled for a period of 12 months for the class of vehicles with a gross vehicle weight of at least 10,001 pounds but not more than 26,000 pounds; or

''(ii) that such operator's exemption is not in the public interest and would result in a significant adverse impact on the safety of commercial motor vehicles.

''(C) FACTORS.—In approving applications under the program established by this paragraph, the Secretary shall—

''(i) ensure that applicants in the program represent a broad cross-section of fleet size and operators of vehicles between 10,000 and 26,000 pounds; and

''(ii) to the extent feasible, ensure participation by as many qualified applicants as possible.

''(D) LIMITATION.—The Secretary shall not grant the exemptions set forth in subparagraph (A) to vehicles—

''(i) designed to transport more than 15 passengers; including the driver; or

''(ii) used in transporting material found by the Secretary to be hazardous under section 5103 of this title and transported in a quantity requiring placarding under regulations prescribed by the Secretary under such section 5103.

''(E) EMERGENCIES.—The Secretary may revoke or modify the participation of an operator in the program established by this section in the case of an emergency.

''(3) REVIEW OF REGULATIONS.—The Secretary shall conduct a zero-based review of the need and the costs and benefits of all regulations issued under this section and sections 504 and 31502 of this title to determine whether such regulations should apply to vehicles weighing between 10,000 and 26,000 pounds. The review shall focus on the appropriate level of safety and the paperwork and regulatory burdens of such regulations as they apply to operators of vehicles weighing between 10,000 and 26,000 pounds. The Secretary shall complete the review within 18 months after the date of the enactment of this paragraph. Upon completion of the review, the Secretary shall grant such exemptions or modify or repeal existing regulations to the extent appropriate.''.

SEC. 355. TECHNICAL AMENDMENT.

Notwithstanding section 101(a) of title 23, United States Code, the projects described in section 149(a)(62) of Public Law 100–17 and section 1 of Public Law 100–211 shall be eligible under section 204 of title 23, United States Code.

SEC. 356. SAFETY REPORT.

Not later than September 30, 1997, the Secretary of Transportation, in cooperation with any State which raises any speed limit in such State to a level above the level permitted under section 154 of title 23, United States Code, as such section was in effect on September 15, 1995, shall prepare and submit to the Congress a study of—

(1) the costs to such State of deaths and injuries resulting from motor vehicle crashes; and

(2) the benefits associated with the repeal of the national maximum speed limit.

SEC. 357. OPERATION OF MOTOR VEHICLES BY INTOXICATED MINORS.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by adding at the end the following:

''§ 161. National standard to prohibit the operation of motor vehicles by intoxicated minors

''(a) WITHHOLDING OF APPORTIONMENTS FOR NONCOMPLIANCE.—

''(1) FISCAL YEAR 1999.—The Secretary shall withhold 5 percent of the amount required to be apportioned to any State under each of paragraphs (1), (3), and (5) of section 104(b) on October 1, 1998, if the State does not meet the requirement of paragraph (3) on such date.

''(2) THEREAFTER.—The Secretary shall withhold 10 percent (including any amounts withheld under paragraph (1)) of the amount required to be apportioned to any State under each of paragraphs (1), (3), and (5) of section 104(b) on October 1, 1999, and on October 1 of each fiscal year thereafter, if the State does not meet the requirement of paragraph (3) on such date.

''(3) REQUIREMENT.—A State meets the requirement of this paragraph if the State has enacted and is enforcing a law that makes unlawful throughout the State the operation of a motor vehicle by an individual under the age of 21 who has a blood alcohol concentration of 0.02 percent or greater.

''(b) PERIOD OF AVAILABILITY; EFFECT OF COMPLIANCE AND NONCOMPLIANCE.—

''(1) PERIOD OF AVAILABILITY OF WITHHELD FUNDS.—

''(A) FUNDS WITHHELD ON OR BEFORE SEPTEMBER 30, 2000.—Any funds withheld under subsection (a) from apportionment to any State on or before September 30, 2000, shall remain available until the end of the third fiscal year following the fiscal year for which such funds are authorized to be appropriated.

''(B) FUNDS WITHHELD AFTER SEPTEMBER 30, 2000.—No funds withheld under this section from apportionment to any State after September 30, 2000, shall be available for apportionment to such State.

''(2) APPORTIONMENT OF WITHHELD FUNDS AFTER COMPLIANCE.—If, before the last day of the period for which funds withheld under subsection (a) from apportionment are to remain available for apportionment to a State under paragraph (1), the State meets the requirement of subsection (a)(3), the Secretary shall, on the first day on which the State meets such requirement, apportion to the State the funds withheld under subsection (a) that remain available for apportionment to the State.

''(3) PERIOD OF AVAILABILITY OF SUBSEQUENTLY APPORTIONED FUNDS.—Any funds apportioned pursuant to paragraph (2) shall remain available for expenditure until the end of the third fiscal year following the fiscal year in which such funds are so apportioned. Sums not obligated at the end of such period shall lapse or, in the case of funds apportioned under section 104(b)(5), shall lapse and be made available by the Secretary for projects in accordance with section 118.

''(4) EFFECT OF NONCOMPLIANCE.—If, at the end of the period for which funds withheld under subsection (a) from apportionment are available for apportionment to a State under paragraph (1), the State does not meet the requirement of subsection (a)(3), such funds shall lapse or, in the case of funds withheld from apportionment under section 104(b)(5), such funds shall lapse and be made available by the Secretary for projects in accordance with section 118.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

''161. National standard to prohibit the operation of motor vehicles by intoxicated minors.''.

SEC. 358. EFFECTIVENESS OF DRUNK DRIVING LAWS.

The Secretary shall conduct a study to evaluate the effectiveness on reducing drunk driving of laws enacted in the States which allow a health care provider who treats an individual involved in a vehicular accident to report the blood alcohol level, if known, of such individual to the local law enforcement agency which has jurisdiction over the accident site if the blood alcohol concentration level exceeds the maximum level permitted under State law.

Amend the title so as to read: ''An Act to amend title 23, United States Code, to designate the National Highway System, and for other purposes.''.

Mr. CHAFEE. Mr. President, I move that the Senate disagree with the House amendments and agree to a request for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. WARNER, Mr. CHAFEE, Mr. SMITH, Mr. KEMPTHORNE, Mr. BAUCUS, Mr. MOYNIHAN, Mr. REID and from the Committee on Commerce, Science, and Transportation, solely for matters within their jurisdiction, Mr. PRESSLER, Mr. LOTT, and Mr. HOLLINGS, conferees on the part of the Senate.

ORDERS FOR TUESDAY, SEPTEMBER 26, 1995

Mr. BOND. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m. on Tuesday, September 26, 1995; that following the prayer, the Journal of proceedings be deemed approved to date; the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of H.R. 2099, the VA–HUD appropriations bill. I further ask unanimous consent that the Senate resume consideration of the Bumpers amendment numbered 2776 regarding the space station at 11 a.m. on Tuesday, and there be 90 minutes of debate equally divided in the usual form, and following the debate the Senate stand in recess until the hour of 2:15 p.m. for the weekly policy conferences to meet.

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

Mr. BOND. Mr. President, I further ask unanimous consent that at 2:15 the Senate proceed to 4 minutes equally divided in the usual form to be followed by a vote on or in relation to the Bumpers amendment numbered 2776.

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

PROGRAM

Mr. BOND. Mr. President, for the information of all Senators, the Senate will resume consideration of VA–HUD operations appropriations bill tomorrow morning at 9:30. Under the previous order, there will be a rollcall vote at approximately 2:20 on or in relation to the Bumpers space station amendment. Additional rollcall votes can be expected throughout Tuesday's session, day and night, in order to finish action on the VA–HUD appropriations bill.

As a reminder, the majority leader has announced once all the necessary appropriations items are completed the Senate would then stand in recess until Tuesday, October 10.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BOND. Mr. President, if there is no further business to come before the

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Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 6:38 p.m., recessed until Tuesday, September 26, 1995, at 9:30 a.m.

NOMINATION

Executive nomination received by the Secretary of the Senate September 22, 1995, under authority of the order of the Senate of January 4, 1995:

DEPARTMENT OF STATE

JIM SASSER, OF TENNESSEE, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF CHINA.

VerDate 20-SEP-95 02:15 Oct 03, 1995 Jkt 010199 PO 00000