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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mrs. MYRICK].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
July 25, 1996.

I hereby designate the Honorable SUE MYRICK to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

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

As Your Word tells us to do justly and to love mercy, help us, O God, to walk the path of justice and mercy in our lives. We admit that our ways are weak and our wishes can miss the mark and we too easily mind our own way. We know too that there are many paths available to us and there are choices we make every day. We pray, gracious God, for the insight and wisdom to follow the path that leads to faith, the road that strengthens hope, and the way that celebrates love. This is our earnest prayer. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Washington [Mr. NETHERCUTT] come forward and lead the House in the Pledge of Allegiance.

Mr. NETHERCUTT led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1627. An act to amend the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act, and for other purposes.

H.R. 3235. An act to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for 3 years, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain eight 1-minutes per side.

THE FIGHT TO CURE DIABETES

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

Mr. NETHERCUTT. Madam Speaker, today is a new day in the fight to cure diabetes. Not only Members of Congress but every group who is dedicated to curing this disease and preventing its health consequences, from the Juvenile Diabetes Foundation to the American Diabetes Foundation to the Coalition for Diabetes Research, they are all concerned about and they are united behind legislation that has been introduced by the gentlewoman from Oregon [Ms. FURSE] and me and sponsored by over 230 other Members of Congress.

We all realize that the complications of diabetes can be prevented if the 16 million American diabetics and over 100 million diabetics internationally have the proper education about their disease and the means to take care of themselves.

This legislation does just that, Madam Speaker. It allows Medicare to cover the cost of diabetes education and the cost of blood testing and monitoring, critical factors if we are to reduce the $100 billion it costs American society each year to combat the results of diabetes.

I urge all my colleagues and the other 200 who have not sponsored it yet to support this legislation and give life to the fight against diabetes.

CONGRESSIONAL REFORM

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

Mr. DOGGETT. Madam Speaker, America has asked for real reform of the way this Congress operates, an end to the money chase and more attention to the Nation's business, and a bipartisan effort has been made to accomplish real campaign finance reform, supported by a number of independent citizen watchdog groups. But today, 1 week after Reform Week was canceled by the Gingrich leadership, today we will have phony reform and be denied completely an opportunity to even vote on a bipartisan reform of the way business operates here.

And what of the bill that will come before us? Well, 10 Republicans have described that Gingrich bill as fundamentally flawed, more so than the current system, as freezing the average American out of the political process. That is their description of the bill.

The independent watchdog groups like Common Cause have been more direct. They refer to this Thomas bill as phony reform that locks in the corrupt

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status quo, leaves open the floodgates of special interest PAC money and increases the amounts that the wealthy can give. This is not reform, it is a fraud.

CAMPAIGN FINANCE REFORM

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

Mrs. MALONEY. Madam Speaker, today Speaker GINGRICH has an opportunity to do something truly positive for the American people, to save a dying effort for real reform. Basically the Republican bill puts more money into the system, the Democratic bill favors less money in politics. The two bills are miles apart and dead on arrival. The only way to revive campaign finance in the Senate and to pass a viable bill here in the House is to create an independent strong commission that will come forward with a principal plan for an up-or-down vote.

Madam Speaker, Speaker GINGRICH and the President shook hands on it and publicly endorsed the concept. An independent commission is reform's only chance in this Congress. Madam Speaker, only Speaker GINGRICH can make it happen.

WORKING FAMILIES FLEXIBILITY ACT

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

Mr. BALLENGER. Madam Speaker, American working men and women need the Working Families Flexibility Act. Federal labor laws mandate that overtime compensation must be in the form of cash wages, even if the employee would prefer to have paid off or comp time.

The time has come to update these antiquated laws to reflect the evolving needs of today's working families. For some employees, in today's hectic pace, time off is more valuable than money. For working moms, dads, and single parents, time off allows them to better balance the often competing demands of work and family.

Some of my colleagues on the other side of the aisle claim that this is an attempt to weaken overtime protections in the law for employees. This is simply not true. The truth is that the Working Families Flexibility Act will give private sector employees the same options and flexibility which public sector employees have had for years. Let's change the law to accommodate the needs of today's workers who want more options and greater control over their working schedules. Support the Working Families Flexibility Act.

WHAT IS MISSING FROM OUR SCHOOLS IS PRAYER

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

Mr. TRAFICANT. Madam Speaker, something does not add up. Congress continues to spend more money on crime and cops, more money on jails and prisons, pumps money into schools wherever possible, but you can still find drugs in our schools, guns and violence in our schools. There are even condoms in our schools, God forbid, rape, and even cases of murder in our schools.

About the only thing you cannot find in our school today is prayer. Even though ''in God we trust'' is written over all our buildings and on all our currency, about the only time you can hear God's name in school is when God's name is taken in vain. Shame, Congress. Shame. A nation and a Congress that will keep God out just may have invited the Devil. Think about that one.

IT IS TIME FOR OUR PRESIDENT TO SIGN COMMONSENSE WELFARE REFORM

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

Mr. HEFLEY. Madam Speaker, the current welfare system cannot be defended. It is a system characterized by dependence, illegitimacy, and family breakdown.

Tuesday, the other Chamber, with a strong bipartisan vote, approved commonsense reforms that will stop welfare from becoming a way of life. These reforms honor work and encourage personal responsibility.

Bill Clinton campaigned on a promise to ''end welfare as we know it.'' It is now the fourth year of his Presidency and so far, he has done nothing but stand in the way of welfare reform. He postures. He poses. He talks tough, but he never comes through.

Madam Speaker, it is time for Bill Clinton to lead. It is time for him to keep at least one of the promises he made during his campaign. It is time for Bill Clinton to get with the program and sign commonsense welfare reform.

EDUCATION

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

Mr. KILDEE. Madam Speaker, last week Bob Dole gave an education speech in Minneapolis during which he said that public schools are being driven into the ground by bureaucrats and teachers.

First of all, if Bob Dole wants to know what is going on in public schools he ought to visit a few—and talk to parents and teachers who are struggling to help students become knowledgeable and productive citizens in tomorrow's world.

I would like to suggest that he visit Pontiac Central High School where this year a team of corporate engineers, students, and teachers designed and built an innovative robot that won first place in a nationwide competition of 73 teams. If Bob Dole were to visit a school like Pontiac Central High he might not see just problems, he might see what the teachers and the scientific and engineering community of Pontiac see—children with promise.

Madam Speaker, Mr. Dole should use his campaign to encourage public schools as they strive for excellence and innovation. He should join with the leaders of business and industry who are calling for a renewed commitment to public schools. Above all, he should not squander that opportunity by condemning the legacy of public education and demonizing those people who commit themselves to educating children in a pluralistic society—our Nation's classroom teachers.

PRESIDENT CLINTON SHOULD LISTEN TO WHAT PEOPLE WANT AND SIGN WELFARE REFORM

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

Mr. JONES. Madam Speaker, this week Congress has taken bold steps toward enacting genuine welfare reform. The next step will be President Clinton's. We will send him real work requirements, real time limits. We will end welfare for noncitizens. Our bill will lift 1.3 million people out of welfare and into jobs by 2002, and we will end the process whereby able-bodied recipients stay on welfare for 13 years.

Many in Congress would say that welfare reform is cruel to children. Absolute nonsense. Nothing could be more cruel than to leave today's children in yesterday's welfare system. The goal of any true welfare reform is to lift children and families out of poverty and despair. If America is to prosper in the next century, we must reform welfare so that it honors work and encourages people's responsibility.

Mr. President, the American people want you to sign this welfare reform bill. Please, Mr. President, listen to the people.

CAMPAIGN FINANCE REFORM

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

Mrs. SCHROEDER. Madam Speaker, today our prayer was about doing justice and loving mercy and today our legislative agenda is about descending these steps collecting more and more money from special interest groups. We have failed at campaign finance reform and we have failed miserably. This is not what the American people want. Common Cause points out that anybody who votes for this is going to be going along with having the richest people in America having even more influence and the average people having even less. Is that justice, coming

down here with GOPAC and the Speaker? I do not think so.

It is time to admit we have failed. It is time to call upon the Speaker to go back to that bipartisan spirit he had when he shook hands with the President in New Hampshire, and it is time to get real reform that will bring dignity back to this House and get the special interest groups that are courting all of this out.

THE PRESIDENT AND THE CONGRESS

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

Mr. KNOLLENBERG. Madam Speaker, here they go again. No ideas, so let us scare America with White House distortions and union leader lies.

Before Republicans took control of Congress last year, the President's 1995 budget had a rising deficit. Now overnight he is a budget hawk.

There is no real surprise here. The winds have shifted so the President has changed his sails.

But here is the truth: It is the Republican-led Congress that has cut the deficit. It has been cut $43 billion just last year. Yet the President has the gall to take the credit. It is like the rooster taking credit for the sunrise. We would have saved even more if the President had not stood in our way. He has literally fought against deficit reduction by begging for more spending on pet programs.

The only areas where the spending continues to grow out of control is Medicare and Medicaid, more than $50 billion. Yet when we tried to address the problem, he looked the other way.

What we get from the White House leadership is a steady stream of whining because they cannot cut themselves off from the spending gravy train.

Madam Speaker, I yield back the balance of White House promises withering on the vine.

□ 1015

CAMPAIGN REFORM DAY

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

Mr. FARR of California. Madam Speaker, I rise today to address this House regarding campaign reform day. That is the legislation that is going to be on the floor, and the choice today is between the two R's, between reform, which the Democratic side of the aisle is promoting, and the rich, which is what the other side is promoting.

The Speaker asked not long ago for more money to be delivered to political campaigns, and today the law allowing him to do it will be delivered to the floor. They claim that there is reform in their bill, but for whom? It hurts women, hurts minority candidates.

The Democratic bill is the only bill that responds to the American public. It sets limits. It sets limits on PAC's, sets limits on the rich, and it sets limits on wealthy candidates.

Colleagues, we have a choice today. We can reform for the rich interest or we can reform for the American public. Reject the Thomas bill. Support the alternative Democratic Farr bill. I ask for your vote.

INTRODUCING THE VETERANS' CEMETERY PROTECTION ACT

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

Mr. CALVERT. Madam Speaker, last month 128 bronze grave markers were stolen from the Riverside National Cemetery in my district—the second largest national cemetery next to Arlington.

This was a despicable act. Our Nation should have no tolerance for those who desecrate and vandalize the graves of brave Americans.

The men and women who are buried at Riverside National Cemetery and other national cemeteries have paid the ultimate price for our freedom. They deserve our deepest respect and our eternal thanks.

Today I am introducing the Veterans' Cemetery Protection Act. This bill will create a criminal penalty of up to 10 years in prison for vandalism or desecration of a national cemetery.

If the criminals try to profit from stolen property the penalty is increased to up to 15 years in prison or a $250,000 fine.

Many of you have already asked to cosponsor this legislation. If you are not yet a cosponsor and would like to show your support, please contact my office.

SUPPORT THE FARR CAMPAIGN REFORM ALTERNATIVE

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

Mr. CARDIN. Madam Speaker, many of us on both sides of the aisle have been waiting very patiently for this day when campaign finance reform would be before the House. This is our one opportunity in this term of Congress, and I must say we are extremely disappointed.

The rule that is being brought forward is very restrictive, will not allow for the bipartisan bill to be offered, and controls very much what we can consider on this floor. That is wrong.

The underlying bill moves in the wrong direction. The Republican bill would have us spend more money and put no limits on what we can be spent in campaigns. It carries out the wishes of Speaker GINGRICH when he stated that he thinks the problem with our campaign laws is that there is not enough money being spent.

My constituents disagree. We should be reforming the system to put controls on how much money can be spent and to reward small contributors, and that is exactly what the bill offered by the gentleman from California [Mr. FARR] will do. I urge my colleagues to support it.

No wonder that all of the public interest groups oppose the Republican bill, from Common Cause to Public Citizen, the League of Women Voters, U.S. PIRG. They oppose the Republican bill. I urge my colleagues to vote against that bill and support the Farr alternative.

COMMONSENSE WELFARE REFORM

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

Mrs. SEASTRAND. Madam Speaker, let me go through some reasons I think America needs commonsense welfare reform. Between 1965 and 1994, the Government has spent $5.4 trillion, that's trillion with a ''T,'' on welfare programs. These programs were started under the proviso that we were waging a war on poverty. Thirty years and trillions of tax dollars later, poverty is winning.

Another reason we need to fix welfare is the alarming increase in broken families and especially teenage illegitimacy. Researchers at the University of Washington have found that increased levels of welfare benefits almost always lead to increases in the teenage illegitimate birth rate.

Welfare does not fight poverty; it perpetuates it. Welfare creates a set of incentives that crushes the work ethic, ruins the family, corrupts basic morals, and ultimately destroys the trust between people that is so necessary for civilized society.

Madam Speaker, it's way past time to fix the broken welfare system.

NO SUBSTANTIVE CAMPAIGN FINANCE REFORM

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

Mr. MEEHAN. Madam Speaker, the most fundamental way that we can reform the way the Congress does business is to pass campaign finance reform. The Republican leadership today will renege on that promise to offer real, substantive campaign finance reform. It will happen today.

We had an opportunity. We were going to have reform week, and we have nothing. Now we have the Republicans presenting a bill before this House, calling it reform, that is a phony fraud.

Campaign finance reform is up, and not one Member of the Republican Party got up before this House in one-minutes to defend their piece of fraud legislation. Does that not speak volumes about today's debate? Not one of

them would get up and defend the campaign finance reform bill that they are going to present before this House today. It is a disgrace.

We need to change our campaign finance system and we cannot get a bill to do it. They want to increase influence. Not one of their Members will come down and defend their bill. America is watching today, and Republicans will pay the price in November.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. HEFLEY. Madam Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole under the 5-minute rule:

Committee on Agriculture; Committee on Banking and Financial Services; Committee on Commerce; Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on International Relations; Committee on the Judiciary; Committee on Resources; Committee on Small Business; and Committee on Transportation and Infrastructure.

Madam Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mrs. MYRICK). Is there objection to the request of the gentleman from Colorado?

There was no objection.

HAPPY BIRTHDAY TO THE CHAPLAIN OF THE HOUSE

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

Mr. MYERS of Indiana. Madam Speaker, in the wee hours of this morning as we were finding a way to adjourn and come back this morning, one in our midst passed over the big 65. He joined the Medicare-eligible society that several of us have already joined.

If it were possible to sing happy birthday under the rules of the House we would do that this morning, but since we can't, we do wish it to our Chaplain, Jim Ford, who is now eligible to go on Medicare. Of course he looks that old, but it is kind of shocking to realize that he really is, because we have known Jim for a good many years now since he finally graduated from West Point and came down to join us.

But, Jim, we wish you many more happy ones. Your birthday almost sneaked by us here, but after we woke up this morning we realized that you are passing the big one, we wanted to take this opportunity.

So, happy birthday, Jim.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman so much for pointing that out. It is such fun to see people get older, is it not, but especially our Chaplain, and he wears it very well.

I think the gentleman should sing. Is it truly without the rules?

Mr. MYERS of Indiana. Reclaiming my time, it is against the rules of the House, yes.

Mrs. SCHROEDER. Mr. Speaker, how sad.

Mr. MYERS of Indiana. Most of us cannot sing. The rules really protect us.

Mrs. SCHROEDER. The gentleman is the only one who could.

Mr. MYERS of Indiana. Thank goodness we have that rule, otherwise we would be trying to do it all the time.

GENERAL LEAVE

Mr. MYERS of Indiana. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes, and that I may be allowed to include tabular and extraneous materials.

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

There was no objection.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore (Mrs. MYRICK). Pursuant to House Resolution 483 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3816.

□ 1025

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes, with Mr. OXLEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, July 24, 1996, amendment No. 14 offered by the gentleman from Tennessee [Mr. HILLEARY] had been disposed of.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 483, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: Amendment No. 4 by Mr. OBEY of Wisconsin; an amendment by Mr. SCHAEFER of Colorado; and amendments No. 15 and 16 by Mr. MARKEY of Massachusetts.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. OBEY

The CHAIRMAN. The unfinished business is the request for a recorded vote on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. OBEY:

On page 17, line 21, after the dollar amount insert the following: ''(reduced by $17,000,000)''.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 211, not voting 24, as follows:

[Roll No. 357]

AYES—198

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Beilenson
Berman
Bilbray
Bilirakis
Bishop
Blumenauer
Boehlert
Bonior
Boucher
Brown (FL)
Brown (OH)
Brownback
Bunning
Camp
Campbell
Cardin
Castle
Chabot
Christensen
Chrysler
Clay
Coble
Coburn
Collins (MI)
Conyers
Cooley
Costello
Cummings
Cunningham
Danner
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dickey
Dixon
Doggett
Duncan
Durbin
Engel
Ensign
Eshoo
Evans
Ewing
Farr
Fields (LA)
Filner
Foley
Frank (MA)
Franks (NJ)
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Green (TX)
Gunderson
Gutknecht
Hancock
Harman
Hastings (FL)
Hefley
Hilleary
Hinchey
Hoekstra
Hoke
Horn
Hostettler
Istook
Jacobs
Jefferson
Johnson (SD)
Johnston
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kingston
Klug
Kolbe
LaHood
Lantos
Largent
LaTourette
Leach
Levin
Lewis (GA)
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moran
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Orton
Owens
Pallone
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Poshard
Rahall
Ramstad
Rangel
Reed
Richardson
Rivers
Rohrabacher
Ros-Lehtinen
Roukema
Roybal-Allard
Royce
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schroeder
Schumer
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Skaggs
Slaughter

Smith (MI)
Stark
Stockman
Stokes
Studds
Stupak
Talent
Tate
Thompson
Thurman
Torkildsen
Torres
Towns
Upton
Vento
Ward
Waters
Watt (NC)
Waxman
Whitfield
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—211

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bliley
Blute
Boehner
Bonilla
Bono
Borski
Brewster
Browder
Brown (CA)
Bryant (TN)
Bryant (TX)
Bunn
Burr
Burton
Buyer
Callahan
Calvert
Canady
Chambliss
Chapman
Chenoweth
Clayton
Clement
Clinger
Clyburn
Collins (GA)
Combest
Condit
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Davis
de la Garza
DeLay
Dicks
Dingell
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
English
Everett
Fattah
Fawell
Fazio
Fields (TX)
Flanagan
Foglietta
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gekas
Geren
Gonzalez
Gordon
Graham
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefner
Heineman
Herger
Hilliard
Hobson
Holden
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennelly
Kim
King
Kleczka
Klink
Knollenberg
LaFalce
Latham
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lucas
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Meek
Meyers
Mica
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Pastor
Paxon
Pickett
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Regula
Riggs
Roberts
Roemer
Rogers
Rush
Schaefer
Schiff
Scott
Seastrand
Shuster
Sisisky
Skeen
Skelton
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torricelli
Traficant
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wise
Wolf
Zeliff

NOT VOTING—24

Becerra
Coleman
Collins (IL)
Crane
Diaz-Balart
Dornan
Flake
Forbes
Ford
Greene (UT)
Hayes
Lincoln
McDade
Peterson (FL)
Rose
Roth
Smith (NJ)
Tanner
Tauzin
Velazquez
Watts (OK)
Wilson
Young (AK)
Young (FL)

□ 1046

Messrs. BONO, BAKER, BUYER, JACKSON of Illinois, and SCOTT, Mrs. MEEK of Florida, and Messrs. SOLOMON, LIVINGSTON, and HALL of Ohio changed their vote from ''aye'' to ''no.''

Ms. BROWN of Florida, Messrs. NEUMANN, MATSUI, WYNN, and MANZULLO, and Ms. MCKINNEY changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WATTS of Oklahoma. Mr. Chairman, on rollcall No. 357, I was unavoidably detained with constituents. Had I been present, I would have voted ''aye.''

AMENDMENT OFFERED BY MR. SCHAEFER

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Colorado [Mr. SCHAEFER] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SCHAEFER: Page 17, line 21, strike '', to'' and insert in lieu thereof ''(reduced by $11,930,200) (increased by $42,103,200), to''.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 279, noes 135, not voting 19, as follows:

[Roll No. 358]

AYES—279

Abercrombie
Ackerman
Allard
Andrews
Baker (LA)
Baldacci
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Buyer
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Collins (MI)
Condit
Conyers
Cooley
Coyne
Cramer
Cummings
Cunningham
Danner
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foglietta
Foley
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Funderburk
Furse
Ganske
Gejdenson
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Green (TX)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastings (FL)
Hayworth
Hefner
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hoyer
Inglis
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Klug
LaFalce
Lantos
Latham
Lazio
Leach
Levin
Lewis (GA)
Linder
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Metcalf
Meyers
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Nadler
Neal
Nethercutt
Neumann
Nussle
Oberstar
Obey
Olver
Orton
Owens
Oxley
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pombo
Pomeroy
Porter
Portman
Pryce
Quinn
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Roukema
Roybal-Allard
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Skeen
Slaughter
Smith (WA)
Spratt
Stearns
Stenholm
Stokes
Studds
Stump
Stupak
Taylor (MS)
Tejeda
Thomas
Thompson
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Williams
Wise
Woolsey
Wynn
Yates
Young (AK)
Zimmer

NOES—135

Archer
Armey
Bachus
Baesler
Baker (CA)
Ballenger
Barr
Barton
Bass
Bateman
Bevill
Bilbray
Blute
Boehner
Bryant (TN)
Bunning
Burr
Burton
Callahan
Chapman
Chenoweth
Coble
Coburn
Collins (GA)
Combest
Costello
Cox
Crapo
Cremeans
Cubin
Davis
de la Garza
DeLay
Diaz-Balart
Doolittle
Dreier
Duncan
Durbin
Everett
Filner
Fowler
Frelinghuysen
Frisa
Gallegly
Gekas
Gibbons
Goodlatte
Goss
Graham
Greene (UT)
Gunderson
Gutierrez
Hancock
Hastert
Hastings (WA)
Hefley
Heineman
Herger
Hilleary
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Istook
Jackson (IL)
Johnson, Sam
King
Knollenberg
Kolbe
LaHood
Largent
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Lipinski
Livingston
Lucas
Manzullo
McCollum
McCrery
McIntosh
Menendez
Mica
Miller (FL)
Mollohan
Moorhead
Murtha
Myers
Myrick
Ney
Norwood
Ortiz
Packard
Parker
Paxon
Petri
Pickett
Poshard
Quillen
Radanovich
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Rush
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skelton
Smith (MI)
Smith (TX)
Solomon
Souder
Spence
Stark
Stockman
Talent
Tate
Taylor (NC)
Thornberry
Vucanovich
Walker
Wamp
Weller
White
Whitfield
Wicker
Wolf
Zeliff

NOT VOTING—19

Coleman
Collins (IL)
Crane
Dornan
Flake
Forbes
Ford
Hayes
Lincoln
McDade
Peterson (FL)
Rose
Roth
Smith (NJ)
Tanner
Tauzin
Velazquez
Wilson
Young (FL)

□ 1055

Mr. SMITH of Texas changed his vote from ''aye'' to ''no.''

Mr. CUNNINGHAM and Mr. FAWELL changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENTS EN BLOC OFFERED BY MR. MARKEY

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendments en bloc offered by the gentleman from Massachusetts [Mr. MARKEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. MARKEY: Page 17, line 21, insert ''(reduced by $5,000,000)'' after ''$2,648,000,000''.

Page 22, line 22, insert ''(reduced by $15,000,000)'' after ''$5,409,310,000''.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 138, noes 278, not voting 17, as follows:

[Roll No. 359]

AYES—138

Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Bass
Becerra
Beilenson
Bilbray
Blumenauer
Blute
Boehlert
Bonior
Borski
Browder
Brown (OH)
Bryant (TX)
Cardin
Chabot
Chrysler
Clay
Clayton
Clyburn
Conyers
Coyne
Cramer
Cummings
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Doggett
Doyle
Engel
Eshoo
Evans
Fattah
Filner
Foley
Frank (MA)
Franks (CT)
Franks (NJ)
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gordon
Goss
Hall (OH)
Hastings (FL)
Hefner
Hilleary
Hinchey
Horn
Hoyer
Jefferson
Johnson (SD)
Johnston
Kaptur
Kasich
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klink
Klug
LaFalce
Lantos
Levin
Lewis (GA)
LoBiondo
Lofgren
Longley
Lowey
Luther
Markey
Martinez
Mascara
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Metcalf
Miller (CA)
Minge
Mink
Moakley
Moran
Morella
Neal
Neumann
Oberstar
Obey
Olver
Orton
Owens
Pallone
Payne (NJ)
Pelosi
Peterson (MN)
Pomeroy
Rahall
Ramstad
Rangel
Reed
Richardson
Roybal-Allard
Sabo
Sanders
Sanford
Saxton
Scarborough
Schroeder
Schumer
Shays
Slaughter
Spratt
Stark
Stokes
Studds
Torkildsen
Torres
Vento
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Zimmer

NOES—278

Abercrombie
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Bliley
Boehner
Bonilla
Bono
Boucher
Brewster
Brown (CA)
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chambliss
Chapman
Chenoweth
Christensen
Clement
Clinger
Coble
Coburn
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dixon
Dooley
Doolittle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foglietta
Fowler
Fox
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilliard
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kelly
Kim
King
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lucas
Maloney
Manton
Manzullo
Martini
Matsui
McCarthy
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Meek
Meyers
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nadler
Nethercutt
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Petri
Pickett
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Rush
Salmon
Sawyer
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tate
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torricelli
Towns
Traficant
Upton
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Wynn
Yates
Young (AK)
Zeliff

NOT VOTING—17

Coleman
Collins (IL)
Dornan
Flake
Forbes
Ford
Hayes
Lincoln
McDade
Peterson (FL)
Rose
Roth
Smith (NJ)
Tanner
Tauzin
Velazquez
Young (FL)

□ 1104

Messrs. SCHUMER, RICHARDSON, and JEFFERSON changed their vote from ''no'' to ''aye.''

So the amendments en bloc were rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. VELÁZQUEZ. Mr. Chairman, during rollcall votes 357, 358, and 359, I was unavoidably detained. If I were present, I would have voted ''yes'' on all three amendments.

PERSONAL EXPLANATION

Mr. FLAKE. Mr. Chairman, this morning I returned to J.F. Kennedy Airport, which is in my district, to be with the families of those who were downed in Flight 800. Thus, I missed the following votes: rollcall No. 357, I would have voted ''yes''; rollcall No. 358, I would have voted ''no''; rollcall No. 359, I would have voted ''yes''; on final passage, I would have voted ''yes''; and on the previous question, I would have voted ''yes.''

(Mr. JACOBS asked and was given permission to speak out of order.)

HALL OF FAME INDUCTION

Mr. JACOBS. Mr. Chairman, the time is August 4, 2 p.m. Eastern. The channel is ESPN. The occasion is sublime.

Our colleague, the gentleman from Kentucky [Mr. BUNNING] then and there will be inducted into baseball's Hall of Fame.

I know that my colleagues, like my wife and I, will be watching, and our VCR's will be watching as well.

And, Mr. Chairman, I want to join the gentleman who is about to speak in heaping the well-deserved encomiums on my dear friend forever in the past and forever in the future, the honorable, the very honorable gentleman from Indiana [Mr. MYERS].

Mr. FAZIO of California. Mr. Chairman, I ask unanimous consent to strike the last word.

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

There was no objection.

Mr. FAZIO of California. Mr. Chairman, in 1966 the gentleman from Covington, IN, and the gentleman from Jasper, AL, were elected to Congress. Little did they know that over the next 30 years they would share so much responsibility and be so much a symbol to all of us of the best of the House of Representatives when it works together on a bipartisan basis. I say to my colleagues, ''For 20 years it has been BEVILL and MYERS or MYERS and BEVILL, and it really didn't matter because you needed the two of them if you wanted to do anything, and for

many of us, it meant we have been able to do a great deal. In fact they have done a great deal for the country.''

Many of us have taken time during the last few hours of debate to express our appreciation, but I thought it might be appropriate when all the Members were gathered here in the Chamber if we give these two outstanding symbols of public service the standing ovation their careers warrant.

The CHAIRMAN. Are there other amendments permitted by the previous order of the House of Wednesday, July 24, 1996.

If not, pursuant to House Resolution 483, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. UPTON) having assumed the chair, Mr. OXLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3816), making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 483, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The CHAIRMAN. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 391, nays 23, not voting 19, as follows:

[Roll No. 360]

YEAS—391

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foglietta
Foley
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Rangel
Regula
Richardson
Riggs
Rivers
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NAYS—23

Barrett (WI)
Danner
Davis
Ensign
Hancock
Jacobs
Johnson, Sam
Johnston
Klug
Meehan
Morella
Neumann
Obey
Petri
Ramstad
Reed
Roemer
Royce
Schroeder
Sensenbrenner
Slaughter
Smith (MI)
Stockman

NOT VOTING—19

Becerra
Coleman
Collins (IL)
Conyers
Dornan
Flake
Forbes
Ford
Hayes
Hinchey
Lincoln
McDade
Peterson (FL)
Roberts
Rose
Roth
Smith (NJ)
Tanner
Young (FL)

□ 1128

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 1617, WORKFORCE AND CAREER DEVELOPMENT ACT OF 1996

Mr. GOODLING submitted the following conference report and statement on the bill (H.R. 1617) to consolidate and reform workforce development and literacy programs, and for other purposes:

CONFERENCE REPORT (H. REPT. 104–707)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1617), to consolidate and reform workforce development and literacy programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Workforce and Career Development Act of 1996''.

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

Sec. 1. Short title.
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SEC. 3. PURPOSE AND POLICY.

(a) PURPOSE.—The purpose of this Act is to transform the vast array of Federal education, employment, and job training programs from a collection of fragmented and duplicative categorical programs into streamlined, coherent, and accountable statewide systems designed—

(1) to develop more fully the academic, occupational, and literacy skills of all segments of the population of the United States; and

(2) to meet the needs of employers in the United States to be competitive.

(b) POLICY.—It is the sense of the Congress that adult education and literacy activities are a key component of any successful statewide workforce and career development system.

SEC. 4. DEFINITIONS.

Except as otherwise specified in this Act, as used in this Act:

(1) ADULT EDUCATION.—The term ''adult education'' means services or instruction below the postsecondary level for individuals—

(A) who have attained 16 years of age;

(B) who are not enrolled or required to be enrolled in secondary school;

(C)(i) who lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society; or

(ii) who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education; and

(D) who lack a mastery of basic skills and are therefore unable to speak, read, or write the English language.

(2) ADULT EDUCATION AND LITERACY ACTIVITIES.—The term ''adult education and literacy activities'' means the activities authorized in section 124.

(3) ALL ASPECTS OF THE INDUSTRY.—The term ''all aspects of the industry'' means strong experience in, and comprehensive understanding of, the industry that individuals are preparing to enter.

(4) AREA VOCATIONAL EDUCATION SCHOOL.—The term ''area vocational education school'' means—

(A) a specialized secondary school used exclusively or principally for the provision of vocational education to individuals who are available for study in preparation for entering the labor market;

(B) the department of a secondary school exclusively or principally used for providing vocational education in not fewer than 5 different occupational fields to individuals who are available for study in preparation for entering the labor market;

(C) a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left secondary school and who are available for study in preparation for entering the labor market, if the institute or school admits as regular students both individuals who have completed secondary school and individuals who have left secondary school; or

(D) the department or division of a junior college, or community college, that operates under the policies of the eligible agency and that provides vocational education in not fewer than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if the department or division admits as regular students both individuals who have completed secondary school and individuals who have left secondary school.

(5) AT-RISK YOUTH.—The term ''at-risk youth'' means an individual who—

(A) is not less than age 15 and not more than age 21;

(B) is low-income, defined as an individual who meets the requirements of subparagraph (A), (B), or (C) of paragraph (31); and

(C) is 1 or more of the following:

(i) A school dropout.

(ii) Homeless, a runaway, or a foster child.

(iii) Pregnant or a parent.

(iv) An offender.

(v) An individual who requires additional education, training, counseling, or related assistance in order to participate successfully in regular schoolwork, to complete an educational program, or to secure and hold employment.

(6) AT-RISK YOUTH ACTIVITIES.—The term ''at-risk youth activities'' means the activities authorized in section 122, carried out for at-risk youth.

(7) CAREER GRANT.—The term ''career grant'' means a voucher or credit issued to a participant under subsection (e)(3) or (g) of section 121 for the purchase of training services from eligible providers of such services.

(8) CAREER GUIDANCE AND COUNSELING.—The term ''career guidance and counseling'' means a program that—

(A) pertains to a body of subject matter and related techniques and methods organized for the development of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities, in individuals;

(B) assists such individuals in making and implementing informed educational and occupational choices;

(C) is comprehensive in nature; and

(D) with respect to minors, includes the involvement of parents, where practicable.

(9) CHIEF ELECTED OFFICIAL.—The term ''chief elected official'' means the chief elected executive officer of a unit of general local government in a local workforce development area.

(10) COMMUNITY-BASED ORGANIZATION.—The term ''community-based organization'' means a private nonprofit organization of demonstrated effectiveness that is representative of a community or a significant segment of a community.

(11) COOPERATIVE EDUCATION.—The term ''cooperative education'' means a method of instruction of education for individuals who, through written cooperative arrangements between a school and employers, receive instruction, including required academic courses and related instruction, by alternation of study in school with a job in any occupational field,

which alternation shall be planned and supervised by the school and employer so that each contributes to the education and employability of the individual, and may include an arrangement in which work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

(12) COVERED ACTIVITY.—The term ''covered activity'' means an activity authorized to be carried out under a provision described in section 501(f) (as such provision was in effect on the day before the date of enactment of this Act).

(13) DISLOCATED WORKER.—The term ''dislocated worker'' means an individual who—

(A)(i) has been terminated or laid off, or who has received a notice of termination or layoff, from employment;

(ii) is eligible for or has exhausted entitlement to unemployment compensation; and

(iii) is unlikely to return to a previous industry or occupation;

(B) has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;

(C) has been unemployed long-term and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individual resides;

(D) was self-employed (including a farmer and a rancher) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(E) is a displaced homemaker; or

(F) has become unemployed as a result of a Federal action that limits the use of, or restricts access to, a marine natural resource.

(14) DISPLACED HOMEMAKER.—The term ''displaced homemaker'' means an individual who—

(A) has attained 16 years of age; and

(B)(i) has worked primarily without remuneration to care for a home and family, and for that reason has diminished marketable skills; or

(ii) is a parent whose youngest dependent child will become ineligible to receive assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) not later than 2 years after the date on which the parent applies for assistance under this title.

(15) EDUCATIONAL SERVICE AGENCY.—The term ''educational service agency'' means a regional public multiservice agency authorized by State statute to develop and manage a service or program and provide the service or program to a local educational agency.

(16) ELIGIBLE AGENCY.—The term ''eligible agency'' means—

(A) in the case of vocational education activities or requirements described in title I—

(i) the individual, entity, or agency in a State responsible for administering or setting policies for vocational education in such State pursuant to State law; or

(ii) if no individual, entity, or agency is responsible for administering or setting such policies pursuant to State law, the individual, entity, or agency in a State responsible for administering or setting policies for vocational education in such State on the date of enactment of this Act; and

(B) in the case of adult education and literacy activities or requirements described in title I—

(i) the individual, entity, or agency in a State responsible for administering or setting policies for adult education and literacy services in such State pursuant to State law; or

(ii) if no individual, entity, or agency is responsible for administering or setting such policies pursuant to State law, the individual, entity, or agency in a State responsible for administering or setting policies for adult education and literacy services in such State on the date of enactment of this Act.

(17) ELIGIBLE INSTITUTION.—The term ''eligible institution'', used with respect to vocational education activities, means a local educational agency, an area vocational education school, an educational service agency, an institution of higher education (as such term is defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))), a State corrections educational agency, and a consortium of such entities.

(18) ELIGIBLE PROVIDER.—The term ''eligible provider'', used with respect to—

(A) one-stop career centers, means a provider who is designated or certified in accordance with section 108(d)(2)(A);

(B) training services (other than on-the-job training), means a provider who is identified in accordance with section 107;

(C) at-risk youth activities, means a provider who is awarded a grant in accordance with subsection (c) or (d) of section 112;

(D) vocational education activities described in section 123(b), means a provider determined to be eligible for assistance in accordance with section 113 or 114;

(E) adult education activities described in section 124(b), means a provider determined to be eligible for assistance in accordance with section 116; or

(F) other workforce and career development activities, means a public or private entity selected to be responsible for such activities, in accordance with this title.

(19) EMPLOYMENT AND TRAINING ACTIVITIES.—The term ''employment and training activities'' means the activities authorized in section 121.

(20) ENGLISH LITERACY PROGRAM.—The term ''English literacy program'' means a program of instruction designed to help individuals of limited English proficiency achieve full competence in the English language.

(21) FAMILY AND CONSUMER SCIENCES PROGRAMS.—The term ''family and consumer sciences programs'' means instructional programs, services, and activities that prepare students for personal, family, community, and career roles.

(22) FAMILY LITERACY SERVICES.—The term ''family literacy services'' means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:

(A) Interactive literacy activities between parents and their children.

(B) Training for parents on how to be the primary teacher for their children and full partners in the education of their children.

(C) Parent literacy training.

(D) An age-appropriate education program for children.

(23) FLEXIBLE ACTIVITIES.—The term ''flexible activities'' means the activities authorized in section 125.

(24) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term ''individual of limited English proficiency'' means an individual—

(A) who has limited ability in speaking, reading, or writing the English language; and

(B)(i) whose native language is a language other than English; or

(ii) who lives in a family or community environment where a language other than English is the dominant language.

(25) INDIVIDUAL WITH A DISABILITY.—

(A) IN GENERAL.—The term ''individual with a disability'' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(B) INDIVIDUALS WITH DISABILITIES.—The term ''individuals with disabilities'' means more than 1 individual with a disability.

(26) LABOR MARKET AREA.—The term ''labor market area'' means an economically integrated geographic area within which individuals can—

(A) find employment within a reasonable distance from their place of residence; or

(B) readily change employment without changing their place of residence.

(27) LITERACY.—The term ''literacy'', used with respect to an individual, means the ability of the individual to speak, read, and write English, and compute and solve problems, at levels of proficiency necessary—

(A) to function on the job, in the family of the individual, and in society;

(B) to achieve the goals of the individual; and

(C) to develop the knowledge potential of the individual.

(28) LOCAL BOARD.—The term ''local board'' means a local workforce development board established under section 108.

(29) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(30) LOCAL WORKFORCE DEVELOPMENT AREA.—The term ''local workforce development area'' means a local workforce development area identified in accordance with section 104(b)(4).

(31) LOW-INCOME INDIVIDUAL.—The term ''low-income individual'' means an individual who—

(A) receives, or is a member of a family that receives, cash welfare payments under a Federal, State, or local welfare program;

(B) had received an income, or is a member of a family that had received a total family income, for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and payments described in subparagraph (A)) that, in relation to family size, does not exceed the higher of—

(i) the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for an equivalent period; or

(ii) 70 percent of the lower living standard income level, for an equivalent period;

(C) is a member of a household that receives (or has been determined within the 6-month period prior to application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(D) qualifies as a homeless individual, as defined in subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302);

(E) is a foster child on behalf of whom State or local government payments are made; or

(F) in cases permitted by regulations of the Secretary, is an individual with a disability whose own income meets the requirements of a program described in subparagraph (A) or of subparagraph (B), but who is a member of a family whose income does not meet such requirements.

(32) NONTRADITIONAL EMPLOYMENT.—The term ''nontraditional employment'', refers to occupations or fields of work for which individuals from one gender comprise less than 25 percent of the individuals employed in each such occupation or field of work.

(33) ON-THE-JOB TRAINING.—The term ''on-the-job training'' means training in the public or private sector that is provided to a paid participant while engaged in productive work in a job that—

(A) provides knowledge or skills essential to the full and adequate performance of the job;

(B) provides reimbursement to employers of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and

(C) is limited in duration as appropriate to the occupation for which the participant is being trained.

(34) OUTLYING AREA.—The term ''outlying area'' means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(35) PARTICIPANT.—The term ''participant'', used with respect to an activity carried out under this Act, means an individual participating in the activity.

(36) PELL GRANT RECIPIENT.—The term ''Pell Grant recipient'' means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

(37) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term ''postsecondary educational institution'' means an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088)) that continues to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.).

(38) RAPID RESPONSE ASSISTANCE.—The term ''rapid response assistance'' means assistance provided by a State, or by an entity designated by a State, with funds provided by the State under section 111(a)(2)(B), in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including—

(A) the establishment of onsite contact with employers and employee representatives—

(i) immediately after the State is notified of a current or projected permanent closure or mass layoff; or

(ii) in the case of a disaster, immediately after the State is made aware of mass job dislocation as a result of such disaster;

(B) the provision of information and access to available employment and training activities;

(C) the provision of emergency assistance adapted to the particular closure, layoff, or disaster; and

(D) the provision of assistance to the local community in developing a coordinated response and in obtaining access to State economic development assistance.

(39) SCHOOL DROPOUT.—The term ''school dropout'' means an individual who is no longer attending any school and who has not received a secondary school diploma or its recognized equivalent.

(40) SECONDARY SCHOOL.—The term ''secondary school'' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(41) SECRETARIES.—The term ''Secretaries'' means the Secretary of Labor and the Secretary of Education, in accordance with the interagency agreement described in section 131.

(42) SEQUENTIAL COURSE OF STUDY.—The term ''sequential course of study'' means an integrated series of courses that are directly related to the educational and occupational skill preparation of an individual for a job, or to preparation for postsecondary education.

(43) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(44) STATE BENCHMARKS.—The term ''State benchmarks'', used with respect to a State, means—

(A) the quantifiable benchmarks required under section 106(b) and identified in the report submitted under section 106(c); and

(B) such other quantifiable benchmarks of the statewide progress of the State toward meeting the State goals as the State may identify in the report submitted under section 106(c).

(45) STATE EDUCATIONAL AGENCY.—The term ''State educational agency'' has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(46) STATE GOALS.—The term ''State goals'', used with respect to a State, means—

(A) the goals specified in section 106(a); and

(B) such other major goals of the statewide system of the State as the State may identify in the report submitted under section 106(c).

(47) STATEWIDE SYSTEM.—The term ''statewide system'' means a statewide workforce and career development system, referred to in section 101, that includes employment and training activities, activities carried out pursuant to the Wagner-Peyser Act (29 U.S.C. 49 et seq.), at-risk youth activities, vocational education activities, and adult education and literacy activities, in the State.

(48) SUPPORTIVE SERVICES.—The term ''supportive services'' means services such as transportation, child care, dependent care, and needs-based payments, that are necessary to enable an individual to participate in employment and training activities or at-risk youth activities.

(49) TECH-PREP PROGRAM.—The term ''tech-prep program'' means a program of study that—

(A) combines at least 2 years of secondary education (as determined under State law) and 2 years of postsecondary education in a nonduplicative sequential course of study;

(B) integrates academic and vocational instruction and utilizes worksite learning where appropriate;

(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, business, or applied economics;

(D) builds student competence in mathematics, science, communications, economics, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

(E) leads to an associate degree or a certificate in a specific career field; and

(F) leads to placement in appropriate employment or further education.

(50) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ''unit of general local government'' means any general purpose political subdivision of a State that has the power to levy taxes and spend funds, as well as general corporate and police powers.

(51) VETERAN.—The term ''veteran'' has the meaning given such term in section 101(2) of title 38, United States Code.

(52) VOCATIONAL EDUCATION.—The term ''vocational education'' means organized educational programs that—

(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupation-specific skills, of an individual.

(53) VOCATIONAL EDUCATION ACTIVITIES.—The term ''vocational education activities'' means the activities authorized in section 123.

(54) VOCATIONAL REHABILITATION PROGRAM.—The term ''vocational rehabilitation program'' means a program assisted under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(55) VOCATIONAL STUDENT ORGANIZATION.—The term ''vocational student organization'' means an organization, for individuals enrolled in programs of vocational education activities, that engages in activities as an integral part of the instructional component of such programs, which organization may have State and national units.

(56) WORKFORCE AND CAREER DEVELOPMENT ACTIVITIES.—The term ''workforce and career development activities'' means employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities.

SEC. 5. GENERAL PROVISION.

None of the funds made available under this Act shall be used—

(1) to require any participant to choose or pursue a specific career path or major;

(2) to require any participant to enter into a specific course of study that requires, as a condition of completion, attainment of a federally funded or endorsed industry-recognized skill or standard; or

(3) to require any participant to attain or obtain a federally funded or endorsed industry-recognized skill, certificate, or standard, unless the participant has selected and is participating in a program or course of study that requires, as a condition of completion, attainment of an industry-recognized skill or standard.

TITLE I—STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS

Subtitle A—State and Local Provisions

SEC. 101. STATEWIDE WORKFORCE AND CAREER DEVELOPMENT SYSTEMS ESTABLISHED.

For program year 1998 and each subsequent program year, the Secretaries shall make allotments under section 102 to States to assist the States in paying for the cost of establishing statewide workforce and career development systems and carrying out workforce and career development activities through such statewide systems, in accordance with this title.

SEC. 102. STATE ALLOTMENTS.

(a) IN GENERAL.—The Secretaries shall allot to each State that meets the requirements of subsection (e) an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of subsection (b)(2), adjusted in accordance with subsections (c) and (d).

(b) ALLOTMENTS BASED ON POPULATIONS.—

(1) DEFINITIONS.—As used in this subsection:

(A) ADULT RECIPIENT OF ASSISTANCE.—The term ''adult recipient of assistance'' means a recipient of assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) who is not a dependent child (as defined in section 406(a) of such Act (42 U.S.C. 606(a))).

(B) INDIVIDUAL IN POVERTY.—The term ''individual in poverty'' means an individual who—

(i) is not less than age 16;

(ii) is not more than age 64; and

(iii) is a member of a family (of 1 or more members) with an income that does not exceed the poverty line.

(C) POVERTY LINE.—The term ''poverty line'' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(2) CALCULATION.—Except as provided in subsections (c) and (d), from the amount reserved under section 151(b)(1), the Secretaries—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than age 15 and not more than age 65 (as determined by the Secretaries using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the

program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.

(c) MINIMUM STATE ALLOTMENT.—

(1) DEFINITION.—As used in this subsection, the term ''national average per capita payment'', used with respect to a program year, means the amount obtained by dividing—

(A) the amount reserved under section 151(b)(1) for the program year; by

(B) the total number of individuals who are not less than age 15 and not more than age 65 (as determined by the Secretaries using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) MINIMUM ALLOTMENT.—Except as provided in paragraph (3) and subsection (d), no State shall receive an allotment under this section for a program year in an amount that is less than 0.5 percent of the amount reserved under section 151(b)(1) for the program year.

(3) LIMITATION.—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than age 15 and not more than age 65 (as determined by the Secretaries using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.5; and

(ii) the national average per capita payment for the program year.

(4) ADJUSTMENTS.—In order to increase the allotments of States as a result of the application of paragraph (2), the Secretaries shall reduce, on a pro rata basis, the allotments of the other States (except as provided in subsection (d)).

(d) OVERALL LIMITATIONS.—

(1) DEFINITION.—As used in this subsection, the term ''State percentage'' means—

(A) with respect to the program year preceding program year 1998, the percentage that a State receives of the financial assistance made available to States to carry out covered activities for the year ending on June 30, 1998; and

(B) with respect to program year 1998 and each subsequent program year, the percentage that a State receives of the amount reserved under section 151(b)(1) for the program year.

(2) LIMITATIONS.—No State shall receive an allotment under this section for a program year in an amount that would make the State percentage for the program year—

(A) less than the product obtained by multiplying—

(i) 0.98; and

(ii) the State percentage of the State for the preceding program year; or

(B) greater than the product obtained by multiplying—

(i) 1.02; and

(ii) the State percentage of the State for the preceding program year.

(e) CONDITIONS.—The Secretaries shall allot funds under subsection (a) to States that—

(1) submit State plans that contain all of the information required under section 104(b), including the identification of State goals and State benchmarks; and

(2) prepare the plans in accordance with the requirements of sections 104 and 105 relating to the development of the State plan.

SEC. 103. STATE APPORTIONMENT BY ACTIVITY.

(a) ACTIVITIES.—From the funds made available to a State through an allotment received under section 102 for a program year—

(1) a portion equal to 32 percent of such sum shall be made available for employment and training activities;

(2) a portion equal to 16 percent of such sum shall be made available for at-risk youth activities;

(3) a portion equal to 26 percent of such sum shall be made available for vocational education activities;

(4) a portion equal to 6 percent of such sum shall be made available for adult education and literacy activities; and

(5) a portion equal to 20 percent of such sum shall be made available for flexible activities (which portion may be referred to in this title as the ''flex account'');

carried out through the statewide system.

(b) RECIPIENTS.—Subject to subsection (c), funds allotted to a State under section 102 shall be distributed—

(1) to the Governor of the State for the portions described in paragraphs (1) and (2) of subsection (a), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan submitted under section 104; and

(2) to the eligible agencies in the State for the portions described in paragraphs (3) and (4) of subsection (a), and such part of the flex account as the eligible agencies may be eligible to receive, as determined under the State plan submitted under section 104.

(c) CONSTRUCTION.—Nothing in this title shall be construed—

(1) to negate or supersede any State law that is not inconsistent with the provisions of this title, including the legal authority under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official;

(2) to interfere with the authority of such agency, entity, or official to enter into a contract under any provision of law; and

(3) to prohibit any individual, entity, or agency in a State that is administering activities described in section 123 or 124 prior to the date of enactment of this Act, or setting education policies consistent with authority under State law for such activities on the day preceding the date of enactment of this Act, from continuing to administer such activities or set such education policies consistent with authority under State law for such activities and in accordance with this title.

(d) SMITH-HUGHES VOCATIONAL EDUCATION ACT.—Notwithstanding any other provision of law, the Secretary of Education shall use funds appropriated under section 1 of the Act of February 23, 1917 (39 Stat. 929; 20 U.S.C. 11) (commonly known as the ''Smith-Hughes Vocational Education Act'') to make allotments to States. Such funds shall be allotted to each State in the same manner and at the same time as allotments are made under section 102. Section 103(a) shall not apply with respect to such funds. The requirements of this title (other than section 103(a)) shall apply to such funds to the same extent that the requirements apply to funds made available under section 103(a)(3).

SEC. 104. STATE PLAN.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 102, the Governor of the State shall submit to the Secretaries a single comprehensive State plan that outlines a 3-year strategy for the statewide system of the State and that meets the requirements of section 105 and this section.

(b) CONTENTS.—The State plan shall include—

(1)(A) a description of the collaborative process described in section 105 used in developing the plan, including a description of the manner in which the individuals and entities involved in the process collaborated in the development of the plan; and

(B)(i)(I) information demonstrating the support of the individuals and entities participating in the collaborative process for the State plan; and

(II) the comments referred to in section 105(c)(2)(C), if any; and

(ii) information demonstrating the agreement, if any, of the Governor and the eligible agencies on all elements of the State plan;

(2) a description of the State goals and State benchmarks for workforce and career development activities, that includes—

(A) information identifying the State goals and State benchmarks and how the goals and benchmarks will ensure continuous improvement of the statewide system and make the statewide system relevant and responsive to labor market and education needs at the local level;

(B) information identifying performance indicators that relate to measurement of the State progress toward meeting the State goals and reaching the State benchmarks; and

(C) information describing how the State will coordinate workforce and career development activities to meet the State goals and reach the State benchmarks;

(3) information describing—

(A) the needs of the State with regard to current and projected demands for workers, by occupation;

(B) the skills and economic development needs of the State; and

(C) the type and availability of workforce and career development activities in the State;

(4)(A) an identification of local workforce development areas in the State, including a description of the process used for the designation of such areas, which shall take into consideration labor market areas, service areas in which related Federal programs are provided or historically have been provided, and service areas in which related State programs are provided or historically have been provided; or

(B) if the State receives an increase in an allotment under section 102 for a program year as a result of the application of section 102(c)(2), information stating that the State will be treated as a local workforce development area for purposes of the application of this title, at the election of the State;

(5) an identification of criteria for the appointment of members of local workforce development boards, based on the requirements of section 108;

(6) a description of how the State will utilize the statewide labor market information system described in section 139(d);

(7) a description of the measures that will be taken by the State to assure coordination and consistency and avoid duplication among activities receiving assistance under this title, programs receiving assistance under title II, and programs carried out under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) or the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), including a description of common data collection and reporting processes;

(8) a description of the process used by the State to provide an opportunity for public comment, and input into the development of the plan, prior to submission of the plan;

(9) information identifying how the State will obtain the active and continuous participation of business, industry, and (as appropriate) labor in the development and continuous improvement of the statewide system;

(10) assurances that the State will provide for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotment made under section 102;

(11) information describing the allocation within the State of the funds made available through the flex account for the State;

(12) information identifying how any funds that a State receives through the allotment made under section 102 will be leveraged with other private and public resources (including funds made available to the State under the Wagner-Peyser Act (29 U.S.C. 49 et seq.)) to maximize the effectiveness of such resources for all activities described in subtitle C, and expand the participation of business, industry, employees, and individuals in the statewide system;

(13) information identifying how the workforce and career development activities to be carried out with funds received through the allotment made under section 102 will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(14) an assurance that the funds made available to the State through the allotment made under section 102 will supplement and not supplant other public funds expended to provide activities described in subtitle C;

(15) with respect to economic development activities described in section 121(c)(1)(C), information describing—

(A) any economic development activities that will be carried out with the funds described in section 111(a)(2)(B);

(B) how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(C) whether the nonmanagerial employees (including labor, as appropriate) support the activities;

(16) with respect to employment and training activities, information—

(A) describing the employment and training activities that will be carried out with the funds received by the State through the allotment made under section 102, including a description of how the State will provide rapid response assistance to dislocated workers;

(B) describing the strategy of the State (including the timeframe for such strategy) for development of a fully operational statewide one-stop career center system as described in section 121(d), including—

(i) criteria for use by local boards, with respect to the designation or certification of one-stop career center eligible providers, in each local workforce development area in accordance with section 108(d)(4)(B)(i)(I);

(ii) the steps that the State will take over the 3 years covered by the plan to ensure that all publicly funded labor exchange services described in section 121(e)(2) or 139, and all such services authorized in the Wagner-Peyser Act (29 U.S.C. 49 et seq.), are provided through the one-stop career center system of the State; and

(iii) the steps that the State will take over the 3 years covered by the plan to provide information to individuals through the one-stop career center system on the quality of workforce and career development activities, and vocational rehabilitation program activities, as appropriate;

(C) describing the procedures the State will use to identify eligible providers of training services described in section 121(e)(3), as required under this title;

(D) describing how the State will serve the employment and training needs of dislocated workers, low-income individuals, and other individuals with multiple barriers to employment (as determined by the State); and

(E) describing how the State will establish and implement the required career grant pilot program for dislocated workers pursuant to section 121(g), including a description of the size, scope, and quality of such program and a description of how the State, after 3 years, will evaluate such program and use the findings of the evaluation to improve the delivery of training services described in section 121(e)(3) for dislocated workers and other participants under section 121;

(17) with respect to at-risk youth activities, information—

(A) describing the at-risk youth activities that will be carried out with funds received by the State through the allotment made under section 102;

(B) describing how the State will adequately address the needs of at-risk youth in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for all other students; and

(C) identifying the types of criteria the Governor and local boards will use to identify effective and ineffective at-risk youth activities and eligible providers of such activities;

(18) with respect to vocational education activities, information—

(A) describing the vocational education activities that will be carried out with funds received by the State through the allotment made under section 102;

(B) describing the plan of the State to develop the academic and occupational skills of students participating in such vocational education activities, including—

(i) the integration of academic and vocational education;

(ii) the integration of classroom and worksite learning; and

(iii) linkages between secondary and post-secondary education;

(C) describing how the State will improve career guidance and counseling;

(D) describing how the State will promote the active involvement of parents and business (including small- and medium-sized businesses) in the planning, development, and implementation of such vocational education activities;

(E) describing how funds received by the State through the allotment made under section 102 will be allocated among secondary school vocational education, or postsecondary and adult vocational education, or both;

(F) describing how the State will adequately address the needs of students who participate in such vocational education activities to be taught to the same challenging academic proficiencies as are provided for all other students;

(G) describing how the State will annually evaluate the effectiveness of such vocational education activities;

(H) describing how the State will address the professional development needs of the State with respect to such vocational education activities; and

(I) describing how the State will provide local educational agencies in the State with technical assistance; and

(19) with respect to adult education and literacy activities, information—

(A) describing the adult education and literacy activities that will be carried out with funds received by the State through the allotment made under section 102;

(B) describing how such adult education and literacy activities described in the State plan and the State allocation of funds received through the allotment made under section 102 for such activities are an integral part of comprehensive efforts of the State to improve education and training for all individuals; and

(C) describing how the State will annually evaluate the effectiveness of such adult education and literacy activities.

(c) SPECIAL RULES.—

(1) GOVERNOR.—The Governor of a State shall have final authority to determine the content of the portion of the State plan described in paragraphs (1) through (17) of subsection (b).

(2) ELIGIBLE AGENCIES.—An eligible agency in a State shall have final authority to determine the content of the portion of the State plan described in paragraph (18) or (19) of subsection (b), as appropriate.

(d) MODIFICATIONS TO PLAN.—A State may submit modifications to the State plan in accordance with the requirements of this section and section 105, as necessary, during the 3-year period of the plan.

SEC. 105. COLLABORATIVE PROCESS.

(a) IN GENERAL.—A State shall use a collaborative process to develop the State plan described in section 104, through which individuals and entities including, at a minimum—

(1) the Governor;

(2) representatives, appointed by the Governor, of—

(A) business and industry;

(B) local chief elected officials (representing both cities and counties, where appropriate);

(C) local educational agencies (including vocational educators);

(D) postsecondary institutions (including community and technical colleges);

(E) parents; and

(F) employees (which may include labor);

(3) the lead State agency official for—

(A) the State educational agency;

(B) the eligible agency for vocational education;

(C) the eligible agency for adult education and literacy;

(D) the State agency responsible for post-secondary education; and

(E) the State agency responsible for vocational rehabilitation, and where applicable, the State agency providing vocational rehabilitation program activities for the blind;

(4) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(5) representatives of the State legislature; and

(6) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code;

shall collaborate in the development of the plan.

(b) ALTERNATIVE PROCESSES.—

(1) IN GENERAL.—For purposes of complying with subsection (a), a State may use any State collaborative process (including any council, State workforce development board, or similar entity) in existence on the date of enactment of this Act that meets or is conformed to meet the requirements of such subsection.

(2) FUNCTIONS OF STATE HUMAN RESOURCES INVESTMENT COUNCILS.—If a State uses a State human resources investment council in existence on the date of enactment of this Act, as described in paragraph (1), the functions of such board shall include—

(A) advising the Governor on the development of the statewide system, the State plan described in section 104, and the State goals and State benchmarks;

(B) assisting in the development of performance indicators that relate to the measurement of State progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(C) assisting the Governor in preparing the annual report to the Secretaries described in section 106(c);

(D) assisting the Governor in developing the statewide labor market information system described in section 139(d); and

(E) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce and career development activities.

(c) AUTHORITY OF GOVERNOR.—

(1) FINAL AUTHORITY.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities participating in the collaborative process described in subsection (a) or (b) for the State plan, the Governor shall have final authority to submit the State plan as described in section 104, except as provided in section 104(c) and in paragraph (3).

(2) PROCESS.—The Governor shall—

(A) provide such individuals and entities with copies of the State plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include in the State plan any such comments that—

(i) are submitted by an eligible agency and represent disagreement with such plan, with respect to provisions of the State plan described in paragraph (18) or (19) of section 104(b), as appropriate; or

(ii) are submitted by an individual or entity participating in the collaborative process.

(3) ELIGIBLE AGENCY COMMENTS.—An eligible agency, in submitting comments under paragraph (2)(C)(i), may submit provisions for the portion of the State plan described in paragraph (18) or (19) of section 104(b), as appropriate. The Governor shall include such provisions in the State plan submitted under section 104. Such provisions shall be considered to be such portion of the State plan.

SEC. 106. ACCOUNTABILITY.

(a) GOALS.—Each statewide system supported by an allotment under section 102 shall be designed to meet—

(1) the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State; and

(2) the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(b) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 102, a State shall develop and identify in the State plan submitted under section 104, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (a)(1), which shall include, at a minimum, measures of—

(A) placement of participants in unsubsidized employment;

(B) retention of the participants in unsubsidized employment (12 months after completion of the participation);

(C) increases in earnings, or in earnings and employer-assisted benefits, for the participants; and

(D) attainment by the participants of industry-recognized occupational skills, as appropriate.

(2) EDUCATION.—To be eligible to receive an allotment under section 102, a State shall develop and identify in the State plan submitted under section 104, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (a)(2), which shall include, at a minimum, measures, for participants, of—

(A) attainment of challenging State academic proficiencies;

(B) attainment of secondary school diplomas or general equivalency diplomas;

(C) attainment of industry-recognized occupational skills according to skill proficiencies for students in career preparation programs;

(D) placement in, retention in, and completion of postsecondary education or advanced training, or placement and retention in military service, employment, or qualified apprenticeships; and

(E) attainment of the literacy skills and knowledge individuals need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—

(A) MINIMUM MEASURES.—In developing and identifying, under paragraphs (1) and (2), measures of the progress of the State toward meeting the goals described in subsection (a), a State shall develop and identify in the State plan, in addition to statewide benchmarks, proposed quantifiable benchmarks for populations that include, at a minimum—

(i) low-income individuals;

(ii) dislocated workers;

(iii) at-risk youth;

(iv) individuals with disabilities;

(v) veterans; and

(vi) individuals of limited literacy, as determined by the State.

(B) ADDITIONAL MEASURES.—In addition to the benchmarks described in subparagraph (A), a State may develop and identify in the State plan proposed quantifiable benchmarks to measure the progress of the State toward meeting the goals described in subsection (a) for populations with multiple barriers to employment, which may include older workers, as determined by the State.

(4) APPLICATION.—

(A) MEANINGFUL EMPLOYMENT BENCHMARKS.—Benchmarks described in paragraph (1) shall apply to employment and training activities and, as appropriate, to at-risk youth activities and adult education and literacy activities.

(B) EDUCATION BENCHMARKS.—Benchmarks described in paragraph (2) shall apply to vocational education activities, at-risk youth activities, and, as appropriate, adult education and literacy activities.

(5) SPECIAL RULE.—If a State adopts for all students in the State performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall, at a minimum, use such performance indicators, attainment levels, or assessments in measuring the progress of all students who participate in workforce and career development activities.

(6) TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretaries shall provide technical assistance to States requesting such assistance, which may include the development, in accordance with subparagraph (B), of model benchmarks for each of the benchmarks described in paragraphs (1) and (2) at achievable levels based on existing (as of the date of the development of the benchmarks) workforce and career development efforts in the States.

(B) COLLABORATION.—Any such model benchmarks shall be developed in collaboration with the States and other appropriate parties.

(7) INCENTIVE GRANTS.—A State that meets the requirements of section 132(a) (including requirements relating to State benchmarks) shall be eligible to receive an incentive grant under section 132(a).

(8) SANCTIONS.—A State that has failed to meet the State benchmarks described in paragraphs (1) and (2) for the 3-year period covered by a State plan described in section 104, as determined by the Secretaries, may be subject to sanctions under section 132(b).

(c) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 102 shall annually prepare and submit to the Secretaries a report that states how the State is performing on State benchmarks that relate to workforce and career development activities. The report shall include information on how the local workforce development areas in the State are performing on local benchmarks described in section 108(d)(4)(A). The report shall also include information on the status and results of any State evaluations specified in subsection (d) that relate to employment and training activities carried out in the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) INFORMATION DISSEMINATION.—The Secretaries shall make the information contained in such reports available to the general public through publication and other appropriate methods, and shall disseminate State-by-State comparisons of the information.

(3) EVALUATION.—In preparing the report for the third year of the 3-year period covered by the State plan, the State shall include the findings of the evaluation described in section 104(b)(16)(E) of the career grant pilot program described in section 121(g).

(d) EVALUATION OF STATE PROGRAMS.—

(1) EMPLOYMENT AND TRAINING ACTIVITIES.—Using funds reserved under section 111(a)(2)(B), a State shall conduct ongoing evaluations of employment and training activities carried out in the State.

(2) METHODS.—The State shall—

(A) conduct such evaluations of employment and training activities through controlled experiments using experimental and control groups chosen by random assignment;

(B) in conducting such evaluations, determine, at a minimum, whether employment and training activities effectively raise the hourly wage rates of individuals receiving services through such activities; and

(C) conduct, or arrange under paragraph (3) for the conduct of, at least 1 such evaluation at any given time during any period in which the State is receiving funding under this title for such activities.

(3) MULTI-STATE AGREEMENTS.—A State may enter into an agreement with 1 or more States to arrange for the conduct of such evaluations in accordance with the requirements of paragraphs (1) and (2).

(e) FISCAL AND MANAGEMENT ACCOUNTABILITY INFORMATION SYSTEMS.—

(1) IN GENERAL.—Using funds reserved under sections 111(a)(2)(B) and 112(a)(2)(C), the State may operate a fiscal and management accountability information system, based on guidelines established by the Secretaries in consultation with the Governors and other appropriate parties. Such guidelines shall promote the efficient collection and use of fiscal and management information for reporting and monitoring the use of funds made available to the State for employment and training activities and at-risk youth activities and for use by the State in preparing the annual report described in subsection (c). In measuring State performance on State benchmarks, a State may, pursuant to State law, utilize quarterly wage records available through the unemployment insurance system.

(2) CONFIDENTIALITY.—In carrying out the requirements of this Act, the State shall comply with section 444 of the General Education Provisions Act (20 U.S.C. 1232g) (as added by the Family Educational Rights and Privacy Act of 1974). In addition, the State shall protect the confidentiality of information obtained through the fiscal and management accountability information system through the use of recognized security procedures.

SEC. 107. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

(a) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—Except as provided in subsection (d), to be eligible to receive funds made available under section 111 to provide training services described in section 121(e)(3) (referred to in this section as ''training services'') and be identified as an eligible provider of such services, a provider of such services shall meet the requirements of this section.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—A postsecondary educational institution shall automatically be eligible to receive such funds for—

(A) a program that leads to an associate, baccalaureate, professional, or graduate degree;

(B) a program that—

(i) is at least 2 academic years in length; and

(ii) is acceptable for academic credit toward a baccalaureate degree; or

(C) a program that—

(i) is at least 1 academic year in length;

(ii) is a training program;

(iii) leads to a certificate, degree, or other recognized educational credential; and

(iv) prepares a student for gainful employment in a recognized occupation.

(3) OTHER ELIGIBLE PROVIDERS.—

(A) PROCEDURE.—The Governor shall establish a procedure for determining the eligibility of public and private providers not described in paragraph (2) (including eligibility of postsecondary educational institutions for programs not described in paragraph (2)) to receive such funds. In determining the eligibility, the Governor shall solicit and take into consideration recommendations of the local boards concerning the identification of eligible providers of training services in local workforce development areas.

(B) LEVELS OF PERFORMANCE.—At a minimum, the Governor shall establish a procedure that requires such a provider to meet minimum acceptable levels of performance based on—

(i) verifiable program-specific performance information described in subparagraph (C) and submitted to the State agency designated under subsection (b), as required under paragraphs (2) and (3) of subsection (b); and

(ii) performance criteria relating to the rates and percentages described in subparagraph (C)(i).

(C) PERFORMANCE INFORMATION.—

(i) REQUIRED INFORMATION.—To be eligible to receive such funds, a provider shall submit information on—

(I) program completion rates for participants in the applicable program conducted by the provider;

(II) the percentage of the participants obtaining employment in an occupation related to the program conducted;

(III) where appropriate, the rates of licensure or certification of graduates of the program; and

(IV) where appropriate, the percentage of the participants who demonstrate significant gains in literacy and basic skills.

(ii) ADDITIONAL INFORMATION.—In addition to the performance information described in clause (i), the Governor may require that a provider described in this paragraph submit such other performance information as the Governor determines to be appropriate, which may include information relating to—

(I) the adequacy of space, staff, equipment, instructional materials, and student support services offered by the provider through a program conducted by the provider;

(II) the earnings of participants completing the program; and

(III) the percentage of graduates of the program who attain industry-recognized occupational skills in the subject, occupation, or industry for which training is provided.

(b) ADMINISTRATION.—

(1) DESIGNATION.—The Governor shall designate a State agency to collect and disseminate the performance information described in subsection (a)(3)(C) and submitted pursuant to this subsection and carry out other duties described in this subsection.

(2) APPLICATION.—To be eligible to receive funds as described in subsection (a), a provider shall submit an application at such time, in such manner, and containing such information as the designated State agency may require.

(3) SUBMISSION.—To be eligible to receive funds as described in subsection (a), a provider described in subsection (a)(3) shall submit the performance information described in subsection (a)(3)(C) annually to the designated State agency at such time and in such manner as the designated State agency may require. The designated State agency may accept program-specific performance information consistent with the requirements for eligibility under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) from such a provider for purposes of enabling the provider to fulfill the applicable requirements of this paragraph.

(4) LIST OF ELIGIBLE PROVIDERS.—The designated State agency, after reviewing the performance information described in subsection (a)(3)(C) and using the procedure described in subsection (a)(3)(B), shall identify eligible providers of training services described in paragraph (2) or (3) of subsection (a), compile a list of such eligible providers, accompanied by the performance information described in subsection (a)(3)(C) for each such provider described in subsection (a)(3), and disseminate such list and information to one-stop career centers and to local boards. Such list and information shall be made widely available to participants in workforce and career development activities and others through the one-stop career center system described in section 121(d).

(c) ENFORCEMENT.—

(1) ACCURACY OF INFORMATION.—If the designated State agency determines that a provider or individual supplying information on behalf of a provider intentionally supplies inaccurate information under this section, the agency shall terminate the eligibility of the eligible provider to receive funds described in subsection (a) for a period of time, but not less than 2 years, as prescribed in regulations issued by the Governor.

(2) COMPLIANCE WITH CRITERIA OR REQUIREMENTS.—If the designated State agency determines that an eligible provider or a program of training services carried out by an eligible provider fails to meet the required performance criteria described in subsection (a)(3)(B)(ii) or materially violates any provision of this title or the regulations promulgated to implement this title, the agency may terminate the eligibility of the eligible provider to receive funds described in subsection (a) for such program or take such other action as the agency determines to be appropriate.

(3) ELIGIBILITY UNDER THE HIGHER EDUCATION ACT OF 1965.—If the designated State agency determines that the eligibility of an eligible provider described in subsection (a)(2) under title IV of the Higher Education Act of 1965 has been terminated, the agency shall—

(A) terminate the automatic eligibility of the provider under subsection (a)(2); and

(B) require the provider to meet the requirements of subsection (a)(3) to be eligible to receive funds as described in subsection (a).

(4) REPAYMENT.—Any provider whose eligibility is terminated under paragraph (1) or (2) for a program shall be liable for repayment of all funds described in subsection (a) received for the program during any period of noncompliance described in such paragraph.

(5) APPEAL.—The Governor shall establish a procedure for an eligible provider to appeal a determination by the designated State agency that results in termination of eligibility under this subsection. Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(d) ON-THE-JOB TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training shall not be subject to the requirements of subsection (a), (b), or (c).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop career center eligible provider in a local workforce development area shall collect such performance information from on-the-job training providers as the Governor may require, and disseminate such information through the delivery of core services described in section 121(e)(2), as appropriate.

SEC. 108. LOCAL WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—There shall be established in each local workforce development area of a State, and certified by the Governor of the State, a local workforce development board, reflecting business and community interests in workforce and career development activities.

(b) MEMBERSHIP.—

(1) STATE CRITERIA.—The Governor of the State shall establish criteria for the appointment of members of the local boards for local workforce development areas in the State in accordance with the requirements of paragraph (2). Information identifying such criteria shall be included in the State plan submitted under section 104.

(2) COMPOSITION.—Such criteria shall require at a minimum, that the membership of each local board—

(A) shall include—

(i) a majority of members who are representatives of business and industry in the local workforce development area, appointed from among individuals nominated by local business organizations and trade associations;

(ii) representatives of local secondary schools, representatives of postsecondary educational institutions (including representatives of community colleges), representatives of vocational educators, and representatives of providers of adult education and literacy services, where such schools, institutions, educators, or providers, as appropriate, exist; and

(iii) representatives of employees, which may include labor; and

(B) may include—

(i) individuals with disabilities;

(ii) parents;

(iii) veterans; and

(iv) representatives of community-based organizations.

(3) CHAIRPERSON.—The local board shall elect a chairperson from among the members of the board.

(c) APPOINTMENT AND CERTIFICATION OF BOARD.—

(1) APPOINTMENT OF BOARD MEMBERS AND ASSIGNMENT OF RESPONSIBILITIES.—

(A) IN GENERAL.—The chief elected official in a local workforce development area is authorized to appoint the members of the local board for such area, in accordance with the State criteria established under subsection (b).

(B) MULTIPLE UNITS OF LOCAL GOVERNMENT IN AREA.—

(i) IN GENERAL.—In a case in which a local workforce development area includes more than 1 unit of general local government, the chief elected officials of such units may execute an agreement that specifies the respective roles of the individual chief elected officials—

(I) in the appointment of the members of the local board from the individuals nominated or recommended to be such members in accordance with the criteria established under subsection (b); and

(II) in carrying out any other responsibilities assigned to such officials.

(ii) LACK OF AGREEMENT.—If, after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local board from individuals so nominated or recommended.

(2) CERTIFICATION.—

(A) IN GENERAL.—The Governor may annually certify 1 local board for each local workforce development area in the State.

(B) CRITERIA.—Such certification shall be based on factors including the criteria established under subsection (b) and, for a second or subsequent certification, the extent to which the local board has ensured that employment and training activities and at-risk youth activities carried out in the local workforce development area have met expected levels of performance with respect to the local benchmarks required under subsection (d)(4)(A).

(C) FAILURE TO ACHIEVE CERTIFICATION.—Failure of a local board to achieve certification shall result in reappointment and certification of another local board for the local workforce development area pursuant to the process described in paragraph (1) and this paragraph.

(3) DECERTIFICATION.—Notwithstanding paragraph (2), the Governor may decertify a local board at any time for fraud or abuse, or failure to carry out the functions specified for the local board in paragraphs (1) through (3) of subsection (d), after providing notice and an opportunity for comment. If the Governor decertifies a local board for a local workforce development area, the Governor may require that a local board be appointed and certified for the local

workforce development area pursuant to a plan developed by the Governor in consultation with the chief elected official in the local workforce development area and in accordance with the criteria established under subsection (b).

(4) EXCEPTION.—Notwithstanding subsection (b) and paragraphs (1) and (2), if a State described in section 104(b)(4)(B) indicates in the State plan that the State will be treated as a local workforce development area for purposes of the application of this title, the Governor may designate the individuals and entities involved in the collaborative process described in section 105 to carry out any of the functions described in subsection (d).

(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

(1) LOCAL PLAN.—

(A) IN GENERAL.—Each local board shall develop and submit to the Governor a comprehensive multiyear strategic local plan. The local plan shall be consistent with the State goals and State plan described in section 104.

(B) CONTENTS.—The local plan shall include—

(i) an identification of the workforce development needs of local industries, jobseekers, and workers;

(ii) a description of employment and training activities and at-risk youth activities to be carried out in the local workforce development area as required under sections 121 and 122, that, with activities authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), will contribute to the coherent delivery of workforce and career development activities;

(iii) a description of the local benchmarks negotiated with the Governor pursuant to paragraph (4)(A), to be used by the local board for measuring the performance of eligible providers, and the performance of the one-stop career center system, in the local workforce development area;

(iv) a description of the process negotiated with the Governor pursuant to paragraph (4)(B) that the local board will use to designate or certify, and to conduct oversight with respect to, one-stop career center eligible providers in the local workforce development area, that will—

(I) ensure that the most effective and efficient providers will be chosen; and

(II) ensure the continuous improvement of such providers and ensure that such providers will continue to meet the labor market needs of local employers and participants;

(v) a description of how the local board will ensure the continued participation of the chief elected official in the local workforce development area in carrying out the duties of the local board, including the participation of such official in carrying out the oversight responsibilities of the board;

(vi) a description of how the local board will obtain the active and continuous participation of representatives of business and industry, employees (which may include labor), local educational agencies, postsecondary educational institutions, providers of adult education and literacy services, vocational educators, other providers of workforce and career development activities, community-based organizations, parents, and consumers (including individuals with disabilities, older workers, and veterans), where appropriate, in the development and continuous improvement of the employment and training activities to be carried out in the local workforce development area;

(vii) a description of the steps the local board will take to work with local educational agencies, postsecondary educational institutions, vocational educators, providers of adult education and literacy services, and other representatives of the educational community to address local employment, education, and training needs;

(viii) a description of the process that will be used to fully involve representatives of business, employees (which may include labor), the local education community (including vocational educators and teachers), parents, and community-based organizations in the development and implementation of at-risk youth activities in the local workforce development area, including a description of the process used to ensure that the most effective and efficient providers are chosen to carry out the activities; and

(ix) such other information as the Governor may require.

(C) CONSULTATION.—The local board shall—

(i) consult with the chief elected official in the appropriate local workforce development area in the development of the local plan; and

(ii) provide the chief elected official with a copy of the local plan.

(D) APPROVAL.—

(i) IN GENERAL.—The chief elected official shall—

(I) approve the local plan; or

(II) reject the local plan and make recommendations to the local board on how to improve the local plan.

(ii) SUBMISSION.—If, after a reasonable effort, the local board is unable to obtain the approval of the chief elected official for the local plan, the local board shall submit the plan to the Governor for approval under subparagraph (A), and shall submit the recommendations of the chief elected official to the Governor along with the plan.

(2) SELECTION AND OVERSIGHT RESPONSIBILITIES.—

(A) ONE-STOP CAREER CENTERS.—Consistent with section 111(c)(1)(A) and the agreement negotiated with the Governor under paragraph (4)(B)(i), the local board is authorized to designate or certify one-stop career center eligible providers, and conduct oversight with respect to such providers, in the local workforce development area.

(B) AT-RISK YOUTH ACTIVITIES.—Consistent with section 112(d), the local board is authorized to award grants on a competitive basis to eligible providers of at-risk youth activities, and conduct oversight with respect to such providers, in the local workforce development area.

(3) IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.—Consistent with section 107, the local board is authorized to make recommendations to the Governor concerning the identification of eligible providers of training services described in section 121(e)(3) in the local workforce development area.

(4) NEGOTIATIONS.—

(A) LOCAL BENCHMARKS.—The local board and the Governor shall negotiate and reach agreement on local benchmarks designed to meet the goals described in section 106(a) for the local workforce development area. In determining such benchmarks, the Governor and the local board shall take into account the State benchmarks described in section 106(b)(1) with respect to employment and training activities and as appropriate, at-risk youth activities, the State benchmarks described in section 106(b)(2) with respect to at-risk youth activities, and specific economic, demographic, and other characteristics of the populations to be served in the local workforce development area.

(B) LOCAL ONE-STOP DELIVERY OF SERVICES.—

(i) IN GENERAL.—Consistent with criteria identified in the State plan information submitted under section 104(b)(16)(B)(i), the local board and the Governor shall negotiate and reach agreement on a process to be used by the local board that meets the requirements of subclauses (I) and (II) of paragraph (1)(B)(iv) for—

(I) the designation or certification of one-stop career center eligible providers in the local workforce development area, including a determination of the role of providers of activities authorized under the Wagner-Peyser Act in the one-stop delivery of services in the local workforce development area; and

(II) the continued role of the local board in conducting oversight with respect to one-stop career center eligible providers, including the ability of the local board to terminate for cause the eligibility of a provider of such services.

(ii) ESTABLISHED ONE-STOP CAREER CENTERS.—Notwithstanding section 111(c)(1)(B), if a one-stop career center has been established in a local workforce development area prior to the date of enactment of this Act, or if approval has been obtained for a plan for a one-stop career center under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) prior to the date of enactment of this Act, the local board and the Governor involved may agree to certify the one-stop career center provider for purposes of this subparagraph.

(e) SUNSHINE PROVISION.—The local board shall make available to the public, on a regular basis, information regarding the activities of the local board, including information regarding membership, the designation and certification of one-stop career center eligible providers, and the award of grants to eligible providers of at-risk youth activities.

(f) OTHER ACTIVITIES.—

(1) LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), no local board may directly carry out an employment and training activity.

(B) WAIVERS.—The Governor of the State in which the local board is located may grant to the local board a written waiver of the prohibition set forth in subparagraph (A).

(2) CONFLICT OF INTEREST.—No member of a local board may—

(A) vote on a matter under consideration by the local board—

(i) regarding the provision of services by such member (or by an organization that such member represents); or

(ii) that would provide direct financial benefit to such member or the immediate family of such member; or

(B) engage in any other activity determined by the Governor to constitute a conflict of interest.

(g) TECHNICAL ASSISTANCE.—If a local workforce development area fails to meet expected levels of performance on negotiated benchmarks described in subsection (d)(4)(A), the Governor may provide technical assistance to the local board to improve the level of performance of the local workforce development area.

Subtitle B—Allocation

SEC. 111. DISTRIBUTION FOR EMPLOYMENT AND TRAINING ACTIVITIES.

(a) RESERVATIONS FOR STATE AND LOCAL ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (5) of section 103(a) for employment and training activities shall be made available in accordance with this section.

(2) DISTRIBUTION.—Of the sum described in paragraph (1) that is made available to a State for a program year—

(A) not less than 75 percent shall be made available to local workforce development areas under subsection (b) to carry out employment and training activities described in subsections (e) and (f) of section 121;

(B) not less than 20 percent shall be made available to the Governor to carry out State employment and training activities described in subsections (b) and (c) of section 121; and

(C) not more than 5 percent shall be made available for administrative expenses at the State level.

(b) WITHIN STATE FORMULA.—

(1) IN GENERAL.—The Governor shall develop a formula for the allocation of the funds described in subsection (a)(2)(A) to local workforce development areas, taking into account—

(A) the poverty rate, among individuals who are not less than age 18 and not more than age 64, as determined by the Bureau of the Census, within each local workforce development area;

(B) the unemployment rate within each local workforce development area;

(C) the proportion of the State population of individuals who are not less than age 18 and not

more than age 64, residing within each local workforce development area; and

(D) such additional factors as the Governor (in consultation with local boards and local elected officials) determines to be necessary.

(2) EQUITABLE ALLOCATION.—In developing such formula, the Governor shall ensure that—

(A) the funds described in subsection (a)(2)(A) are allocated in a geographically equitable manner throughout the State; and

(B) the factors described in paragraph (1) do not receive disproportionate weight in the allocation.

(c) ELIGIBILITY.—

(1) ELIGIBILITY FOR DESIGNATION OR CERTIFICATION AS A ONE-STOP CAREER CENTER ELIGIBLE PROVIDER.—

(A) IN GENERAL.—To be eligible to receive funds made available under this section to provide employment and training activities through a one-stop career center system and be designated or certified as a one-stop career center eligible provider for a local workforce development area, an entity shall—

(i) be selected in accordance with section 108(d)(2)(A); and

(ii) be a public or private entity, or consortium of entities, located in the local workforce development area, which entity or consortium may include an institution of higher education (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), a local employment service office established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), a local government agency, a private for-profit entity, a private nonprofit entity, or other interested entity, of demonstrated effectiveness, such as a local chamber of commerce or other business organization.

(B) EXCEPTION.—Elementary schools and secondary schools shall not be eligible for designation or certification as one-stop career center eligible providers.

(2) ELIGIBILITY FOR IDENTIFICATION AS AN ELIGIBLE PROVIDER OF TRAINING SERVICES.—Except as provided in section 107(d), to be eligible to receive funds made available under this section to provide training services described in section 121(e)(3) and be identified as an eligible provider of such services, an entity shall meet the requirements of section 107.

SEC. 112. DISTRIBUTION FOR AT-RISK YOUTH ACTIVITIES.

(a) RESERVATIONS FOR STATE AND LOCAL ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (5) of section 103(a) for at-risk youth activities shall be made available in accordance with this section.

(2) DISTRIBUTION.—Of the sum described in paragraph (1) that is made available to a State for a program year—

(A) not less than 75 percent shall be made available to local workforce development areas under subsection (b) to carry out at-risk youth activities;

(B) not more than 21 percent shall be made available to the Governor to carry out at-risk youth activities; and

(C) not more than 4 percent shall be made available for administrative expenses at the State level.

(b) WITHIN STATE FORMULA.—

(1) IN GENERAL.—The Governor, using the collaborative process described in subsection (a) or (b) of section 105, shall develop a formula for the allocation of the funds described in subsection (a)(2)(A) to local workforce development areas, taking into account—

(A) the poverty rate, as determined by the Bureau of the Census, within each local workforce development area;

(B) the proportion of the State at-risk youth population residing within each local workforce development area; and

(C) such additional factors as are determined to be necessary.

(2) EQUITABLE ALLOCATION.—In developing such formula, the Governor shall ensure that—

(A) the funds described in subsection (a)(2)(A) are allocated in a geographically equitable manner throughout the State; and

(B) the factors described in paragraph (1) do not receive disproportionate weight in the allocation.

(c) STATE GRANTS.—

(1) IN GENERAL.—The Governor shall use the funds described in subsection (a)(2)(B) to award grants, on a competitive basis, to eligible providers to carry out at-risk youth activities under section 122.

(2) ELIGIBLE PROVIDERS.—Providers eligible to receive grants under this subsection to carry out such activities include—

(A) local educational agencies, area vocational education schools, educational service agencies, institutions of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))), State corrections educational agencies, or consortia of such entities;

(B) units of general local government;

(C) private nonprofit organizations (including community-based organizations);

(D) private for-profit entities; and

(E) other organizations or entities of demonstrated effectiveness that are approved by the Governor.

(3) APPLICATION.—To be eligible to receive a grant under this subsection from the State to carry out such activities, a provider shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require.

(4) AWARD OF GRANTS.—

(A) PROCESS.—

(i) IN GENERAL.—The Governor shall develop a peer review process for reviewing the applications and awarding the grants on a competitive basis.

(ii) CRITERIA.—The Governor shall establish criteria described in section 104(b)(17)(C) to be used in reviewing the applications.

(B) AWARDS.—

(i) IN GENERAL.—Using the process referred to in subparagraph (A), and taking into consideration the criteria referred to in subparagraph (A), the Governor shall award the grants to eligible providers.

(ii) PRIORITY.—In awarding the grants, the Governor shall give priority to providers submitting applications to serve communities, or combinations of communities, that contain a large number or a high concentration of at-risk youth.

(iii) EQUITABLE DISTRIBUTION.—In awarding the grants, the Governor shall ensure that—

(I) the funds made available through the grants are distributed in a geographically equitable manner throughout the State; and

(II) no factor receives disproportionate weight in the distribution.

(d) LOCAL GRANTS.—

(1) IN GENERAL.—From the funds made available under subsection (a)(2)(A) to a local workforce development area (other than funds described in section 122(c)), the local board for such local workforce development area shall award grants, on a competitive basis, to eligible providers to carry out at-risk youth activities under section 122.

(2) ELIGIBLE PROVIDERS.—Providers eligible to receive grants under this subsection to carry out such activities in a local workforce development area include the providers described in subparagraphs (A) through (D) of subsection (c)(2) and other organizations or entities of demonstrated effectiveness that are approved by the local board.

(3) APPLICATION.—To be eligible to receive a grant under this subsection from the local board to carry out such activities in a local workforce development area, a provider shall prepare and submit an application to the board at such time, in such manner, and containing such information as the board may require.

(4) AWARD OF GRANTS.—

(A) PROCESS.—

(i) IN GENERAL.—The local board shall develop a peer review process for reviewing the applications and awarding the grants on a competitive basis.

(ii) CRITERIA.—The local board shall establish criteria described in section 104(b)(17)(C) to be used in reviewing the applications.

(B) AWARDS.—

(i) IN GENERAL.—Using the process referred to in subparagraph (A), and taking into consideration the criteria referred to in subparagraph (A), the local board shall award the grants to eligible providers.

(ii) PRIORITY.—In awarding the grants, the local board shall give priority to providers submitting applications to serve communities, or combinations of communities, that contain a large number or a high concentration of at-risk youth.

(iii) EQUITABLE DISTRIBUTION.—In awarding the grants, the local board shall ensure that—

(I) the funds made available through the grants are distributed in a geographically equitable manner throughout the local workforce development area; and

(II) no factor receives disproportionate weight in the distribution.

(5) LIMITATION.—No local board may directly carry out an at-risk youth activity.

(e) TECHNICAL ASSISTANCE.—The Governor, in consultation with the chief elected officials in a local workforce development area, shall provide technical assistance to the local board for the local workforce development area to improve the level of performance of the local workforce development area with respect to at-risk youth activities if—

(1) the local board requests such technical assistance; or

(2) the Governor, in carrying out the certification requirements of section 108(c)(2), determines that the local board requires such technical assistance.

SEC. 113. FUNDING FOR STATE VOCATIONAL EDUCATION ACTIVITIES AND DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) RESERVATIONS FOR STATE AND LOCAL ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (3) and (5) of section 103(a) for vocational education activities shall be made available in accordance with this section and sections 114 and 115.

(2) DISTRIBUTION.—Of the sum described in paragraph (1) that is made available to an eligible agency for vocational education for a program year—

(A) not less than 85 percent shall be made available to eligible providers to carry out vocational education activities under this section or section 114;

(B) not more than 11 percent shall be made available to carry out State activities described in section 123(a); and

(C) not more than 4 percent shall be made available for administrative expenses at the State level.

(3) STATE DETERMINATIONS.—From the amount available to an eligible agency in a State for distribution to eligible providers under paragraph (2)(A) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with this section and section 114 for such year for vocational education activities in such State in the area of secondary school vocational education, or postsecondary and adult vocational education, or both.

(b) ALLOCATION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.—

(1) IN GENERAL.—Except as otherwise provided in this section and section 115, each eligible

agency for vocational education in a State shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 151(c)) by such agency for secondary school vocational education under subsection (a)(3) to local educational agencies within the State as follows:

(A) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the number of children who are described in paragraph (2) and reside in the school district served by such agency for the preceding fiscal year bears to the total number of such children who reside in the school districts served by all local educational agencies in the State for such preceding year.

(B) THIRTY PERCENT.—From 30 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 30 percent as the number of students enrolled in schools, and adults enrolled in training programs, under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools, and adults enrolled in training programs, under the jurisdiction of all local educational agencies in the State for such preceding year.

(2) NUMBER OF CHILDREN.—

(A) IN GENERAL.—The number of children referred to in paragraph (1)(A) is the number of children aged 5 through 17, inclusive, from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the fiscal year for which the determination is made.

(B) POPULATION UPDATES.—In fiscal year 1999 and every 2 years thereafter, the Secretary of Education shall use updated data on the number of children aged 5 through 17, inclusive, from families with incomes below the poverty line for local educational agencies, published by the Department of Commerce, unless the Secretary of Education and the Secretary of Commerce determine that use of the updated population data would be inappropriate or unreliable, taking into consideration the recommendations of the study to be conducted by the National Academy of Sciences pursuant to section 1124(c)(4) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(c)(4)). If the Secretary of Education and the Secretary of Commerce determine that some or all of the data referred to in this subparagraph are inappropriate or unreliable, they shall jointly issue a report setting forth their reasons in detail. In determining the families with incomes below the poverty line, the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census, in such form as those criteria have been updated by increases in the Consumer Price Index for all urban consumers, published by the Bureau of Labor Statistics.

(3) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—Subject to subsection (c), the Secretary of Education may waive the application of paragraph (1) in the case of any eligible agency that submits to the Secretary an application for such waiver that—

(A) demonstrates that an alternative formula will result in a greater distribution of funds to local educational agencies within the State that serve the highest number or greatest percentage of children described in paragraph (2) than the formula described in paragraph (1); and

(B) includes a proposal for such an alternative formula.

(c) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), no local educational agency shall receive an allocation under subsection (b) for a program year unless the amount allocated to such agency under subsection (b) is $15,000 or more. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The eligible agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) for a program year shall be redistributed for such program year—

(A) to a local educational agency—

(i) that did not receive an allocation under subsection (b) or pursuant to paragraph (2) for such program year;

(ii) that is located in a rural, sparsely populated area; and

(iii) for which at least 15 percent of the children in the school district served by such agency are children described in subsection (b)(2); and

(B) for vocational education services and activities of sufficient size, scope, and quality to be effective.

(d) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (b), no eligible agency receiving assistance under this title shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be distributed under paragraph (1) for a program year to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(e) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each eligible agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under subsection (a)(3) to the appropriate area vocational education school or educational service agency in any case in which the area vocational education school or educational service agency, and the local educational agency concerned—

(A) have formed or will form a consortium for the purpose of receiving funds under this section; or

(B) have entered into or will enter into a cooperative arrangement for such purpose.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that would otherwise be distributed to the local educational agency for a program year under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) APPEALS PROCEDURE.—The eligible agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium or terminate a cooperative arrangement.

(4) CONSORTIUM REQUIREMENTS.—

(A) IN GENERAL.—Notwithstanding the provisions of paragraphs (1), (2), and (3), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(i) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective; and

(ii) transfer such allocation to the area vocational education school or educational service agency.

(B) FUNDS TO CONSORTIUM.—Funds allocated to a consortium formed to meet the requirements of this paragraph shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(f) DATA.—The Secretary of Education shall collect information from States regarding how funds made available by the eligible agency for vocational education under subsection (a)(3) are distributed to local educational agencies in accordance with this section.

SEC. 114. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 115, each eligible agency for vocational education in a State, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 113(a)(3), shall distribute such portion to eligible institutions or consortia of eligible institutions within the State.

(2) FORMULA.—Each eligible institution or consortium of eligible institutions shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 151(c)) from such portion that bears the same relationship to such portion as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such eligible institution or consortium of eligible institutions, respectively, for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—

(A) IN GENERAL.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(i) provide services to all postsecondary institutions participating in the consortium; and

(ii) are of sufficient size, scope, and quality to be effective.

(B) FUNDS TO CONSORTIUM.—Funds allocated to a consortium formed to meet the requirements of this section shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Secretary of Education may waive the application of subsection (a) in the case of any eligible agency that submits to the Secretary of Education an application for such a waiver that—

(1) demonstrates that an alternative formula will result in a greater distribution of funds to the eligible institutions or consortia of eligible

institutions within the State that serve the highest numbers of low-income individuals than the formula described in subsection (a)(2); and

(2) includes a proposal for such an alternative formula.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any eligible institution or consortium of eligible institutions for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia of eligible institutions in accordance with the provisions of this section.

SEC. 115. SPECIAL RULES FOR VOCATIONAL EDUCATION.

(a) SPECIAL RULE FOR MINIMAL ALLOCATION.—

(1) GENERAL AUTHORITY.—Notwithstanding the provisions of section 113 or 114 and in order to make a more equitable distribution of funds for programs serving the highest numbers or greatest percentages of low-income individuals, for any program year for which a minimal amount is made available by an eligible agency for distribution under section 113 or 114 such agency may distribute such minimal amount for such year—

(A) on a competitive basis; or

(B) through any alternative method determined by the eligible agency.

(2) MINIMAL AMOUNT.—For purposes of this section, the term ''minimal amount'' means not more than 15 percent of the total amount made available by the eligible agency under section 113(a)(3) for sections 113 and 114 for a program year.

(b) REDISTRIBUTION.—

(1) IN GENERAL.—In any program year that an eligible provider receiving financial assistance under section 113 or 114 does not expend all of the amounts distributed to such provider for such year under section 113 or 114, respectively, such provider shall return any unexpended amounts to the eligible agency for distribution under section 113 or 114, respectively. The eligible agency may waive the requirements of the preceding sentence, on a case-by-case basis, for good cause as determined by such agency.

(2) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the eligible agency under paragraph (1) for programs described in section 113 or 114 and the eligible agency is unable to redistribute such amounts according to section 113 or 114, respectively, in time for such amounts to be expended in such program year, the eligible agency shall retain such amounts for distribution in combination with amounts made available under such section for the following program year.

(c) CONSTRUCTION.—Nothing in section 113 or 114 shall be construed—

(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 113, from working with an eligible provider (or consortium thereof) that receives assistance under section 114, to carry out secondary school vocational education activities in accordance with this title; or

(2) to prohibit an eligible provider (or consortium thereof) that receives assistance under section 114, from working with a local educational agency (or consortium thereof) that receives assistance under section 113, to carry out postsecondary and adult vocational education activities in accordance with this title.

(d) LOCAL APPLICATION FOR VOCATIONAL EDUCATION ACTIVITIES.—

(1) APPLICATION REQUIRED.—Each provider in a State desiring financial assistance under this subtitle for vocational education activities shall submit an application to the eligible agency for vocational education at such time, in such manner, and accompanied by such information as such agency (in consultation with other educational entities as the eligible agency determines appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State plan submitted under section 104.

(2) CONTENTS.—Each application described in paragraph (1) shall, at a minimum—

(A) describe how the vocational education activities required under section 123 will be carried out with funds received under this subtitle;

(B) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning vocational education activities;

(C) describe how the provider will address the needs of students who participate in vocational education activities to be taught to the same challenging academic proficiencies as all students;

(D) describe the process that will be used to independently evaluate and continuously improve the performance of the provider;

(E) describe how the provider will coordinate the activities of the provider with the activities of the local board in the local workforce development area; and

(F) describe how parents, teachers, and the community are involved in the development and implementation of activities under this section.

SEC. 116. DISTRIBUTION FOR ADULT EDUCATION AND LITERACY.

(a) RESERVATIONS FOR STATE AND LOCAL ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (4) and (5) of section 103(a) for adult education and literacy activities shall be made available in accordance with this section.

(2) DISTRIBUTION.—Of the sum described in paragraph (1) that is made available to an eligible agency for adult education and literacy for a program year—

(A) not less than 85 percent shall be made available to award grants in accordance with this section to carry out adult education and literacy activities;

(B) not more than 10 percent shall be made available to carry out State activities described in section 124(a); and

(C) subject to subparagraph (A), not more than 5 percent, or $50,000, whichever is greater, shall be made available for administrative expenses at the State level.

(b) GRANTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), from the amount made available to an eligible agency for adult education and literacy under subsection (a)(2)(A) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions, that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to carry out adult education and literacy activities.

(2) CONSORTIA.—An eligible agency may award a grant under this section to a consortium that includes a provider described in paragraph (1) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the objectives of this title; and

(B) enters into a contract with such provider to carry out adult education and literacy activities.

(c) GRANT REQUIREMENTS.—

(1) EQUITABLE ACCESS.—Each eligible agency awarding a grant under this section for adult education and literacy activities shall ensure that the providers described in subsection (b) will be provided direct and equitable access to all Federal funds provided under this section.

(2) SPECIAL RULE.—Each eligible agency awarding a grant under this section shall not use any funds made available under this title for adult education and literacy activities for the purpose of supporting or providing programs, services, or activities for individuals who are not individuals described in subparagraphs (A) and (B) of section 4(1), except that such agency may use such funds for such purpose if such programs, services, or activities are related to family literacy services.

(3) CONSIDERATIONS.—In awarding grants under this section, the eligible agency shall consider—

(A) the past effectiveness of a provider described in subsection (b) in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which the provider will coordinate services with other literacy and social services available in the community, including coordination with one-stop career center systems established in section 121(d); and

(C) the commitment of the provider to serve individuals in the community who are most in need of literacy services.

(d) LOCAL ADMINISTRATIVE COST LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by an eligible agency to a provider described in subsection (b), not less than 95 percent shall be expended for provision of adult education and literacy activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the eligible agency shall negotiate with the provider described in subsection (b) in order to determine an adequate level of funds to be used for noninstructional purposes.

SEC. 117. DISTRIBUTION FOR FLEXIBLE ACTIVITIES.

(a) EMPLOYMENT AND TRAINING ACTIVITIES.—A State that uses funds made available to the State under this title through the flex account to carry out employment and training activities shall distribute such funds in accordance with section 111.

(b) AT-RISK YOUTH ACTIVITIES.—A State that uses funds made available to the State under this title through the flex account to carry out at-risk youth activities shall distribute such funds in accordance with section 112.

(c) VOCATIONAL EDUCATION ACTIVITIES.—A State that uses funds made available to the State under this title through the flex account to carry out vocational education activities shall distribute such funds in accordance with sections 113, 114, and 115.

(d) ADULT EDUCATION AND LITERACY ACTIVITIES.—A State that uses funds made available to the State under this title through the flex account to carry out adult education and literacy activities shall distribute such funds in accordance with section 116.

Subtitle C—Use of Funds

SEC. 121. EMPLOYMENT AND TRAINING ACTIVITIES.

(a) IN GENERAL.—Funds made available to States and local workforce development areas under this title for employment and training activities—

(1) shall be used to carry out the activities described in subsections (b), (e), and (g); and

(2) may be used to carry out the activities described in subsections (c) and (f).

(b) REQUIRED STATE ACTIVITIES.—A State shall use funds made available for State employment and training activities under section 111(a)(2)(B)—

(1) to provide rapid response assistance;

(2) to provide labor market information as described in section 139; and

(3) to conduct evaluations, under section 106(d), of activities authorized in this section.

(c) PERMISSIBLE STATE ACTIVITIES.—A State may use funds made available for State employment and training activities under section 111(a)(2)(B)—

(1) to provide services that may include—

(A) providing professional development and technical assistance;

(B) making incentive grants to local workforce development areas for exemplary performance in reaching or exceeding benchmarks described in section 108(d)(4)(A);

(C) providing economic development activities (to supplement other funds provided by the State, a local agency, or the private sector for such activities) that consist of—

(i) providing services to upgrade the skills of employed workers who are at risk of being permanently laid off;

(ii) retraining employed workers in new technologies and work processes that will facilitate the conversion and restructuring of business to assist in the avoidance of a permanent closure or substantial layoff at a plant, facility, or enterprise;

(iii) providing customized assessments of the skills of workers and an analysis of the skill needs of employers;

(iv) assisting consortia of small- and medium-size employers in upgrading the skills of their workforces;

(v) providing productivity and quality improvement training programs for the workforces of small- and medium-size employers; and

(vi) establishing and implementing an employer loan program to assist employees in skills upgrading;

(D) implementing efforts to increase the number of participants trained and placed in nontraditional employment; and

(E) carrying out other activities authorized in this section that the State determines to be necessary to assist local workforce development areas in carrying out activities described in subsection (e) or (f) through the statewide system;

(2) to operate a fiscal and management accountability information system under section 106(e);

(3) to assist in the establishment of the one-stop career center system described in subsection (d); and

(4) to carry out the career grant pilot program described in subsection (g).

(d) ESTABLISHMENT OF ONE-STOP CAREER CENTER SYSTEM.—

(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 102 a one-stop career center system, which—

(A) shall provide the core services described in subsection (e)(2);

(B) shall provide access to the activities (if any) carried out under subsection (f);

(C) shall make labor market information described in section 139 and subsection (e)(2)(D) available and shall provide all job search, placement, recruitment, and other labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.); and

(D)(i) shall provide access to training services as described in subsection (e)(3), which may include serving as the point of distribution of career grants for training services to participants in accordance with subsection (e)(3); and

(ii) may serve as the point of distribution of career grants for training services to participants in accordance with subsection (g).

(2) ONE-STOP DELIVERY.—At a minimum, the one-stop career center system shall make the services described in paragraph (1) available—

(A) through a network of eligible providers that assures participants that the core services described in subsection (e)(2) will be available regardless of where the participants initially enter the statewide system, including the availability of such services through multiple, connected access points, linked electronically or technologically;

(B) through a network of career centers that can provide the services described in paragraph (1) to participants;

(C) at not less than 1 physical, co-located career center in each local workforce development area of the State, that provides the services described in paragraph (1) to participants seeking such services; or

(D) through a combination of the options described in subparagraphs (A) through (C).

(e) REQUIRED LOCAL ACTIVITIES.—

(1) IN GENERAL.—Funds made available to local workforce development areas under section 111(a)(2)(A) shall be used—

(A) to establish the one-stop career center described in subsection (d);

(B) to provide the core services described in paragraph (2) (referred to in this section as ''core services'') to participants through the one-stop career center system; and

(C) to provide training services described in paragraph (3) (referred to in this section as ''training services'') to participants described in such paragraph.

(2) CORE SERVICES.—Funds made available to local workforce development areas under section 111(a)(2)(A) shall be used to provide core services, which shall be available to all individuals through a one-stop career center system and shall, at a minimum, include—

(A) outreach, intake, and orientation to the information and other services available through the one-stop career center system;

(B) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(C) job search and placement assistance, and, where appropriate, career counseling;

(D) provision of accurate labor market information relating to—

(i) local, State, and, if appropriate, regional or national, occupations in demand; and

(ii) skill requirements for such occupations, where available;

(E)(i) provision of accurate information relating to the quality and availability of activities authorized in this section, at-risk youth activities, vocational education activities, adult education and literacy activities, and vocational rehabilitation program activities;

(ii) provision of information relating to adult education and literary activities, through cooperative efforts with eligible providers of adult education and literacy activities described in section 116(b); and

(iii) referral to appropriate activities described in clauses (i) and (ii);

(F) provision of eligibility information relating to unemployment compensation, publicly funded education and training programs (including registered apprenticeships), and forms of public financial assistance, such as student aid programs, that may be available in order to enable individuals to participate in workforce and career development activities;

(G) dissemination of lists of providers and performance information in accordance with paragraph (3)(E)(ii); and

(H) provision of information regarding how the local workforce development area is performing on the local benchmarks described in section 108(d)(4)(A), and any additional performance information provided by the local board.

(3) REQUIRED TRAINING SERVICES.—

(A) SERVICES.—Funds made available to local workforce development areas under section 111(a)(2)(A) shall be used to provide training services to individuals who are unable to obtain employment through the core services, who after an interview, evaluation or assessment, and counseling by an eligible provider have been determined to be in need of training services, and who meet the requirements of subparagraph (B). Training services may include—

(i) occupational skills training;

(ii) on-the-job training;

(iii) skills upgrading and retraining for persons not in the workforce; and

(iv) basic skills training when provided in combination with services described in clause (i), (ii), or (iii).

(B) QUALIFICATION.—

(i) REQUIREMENT.—Except as provided in clause (ii), provision of such training services shall be limited to participants who—

(I) are unable to obtain other grant assistance for such services, including Federal Pell Grants established under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); or

(II) who require assistance beyond the assistance made available under other grant assistance programs, including Federal Pell Grants.

(ii) REIMBURSEMENTS.—Training services may be provided under this paragraph to an individual who otherwise meets the requirements of this paragraph while an application for a Federal Pell Grant is pending, except that if such individual is subsequently awarded a Federal Pell Grant, appropriate reimbursement shall be made to the local workforce development area from such Federal Pell Grant.

(C) PRIORITY.—In the event that funds are limited within a local workforce development area, priority shall be given to dislocated workers and other unemployed individuals for receipt of training services provided under this paragraph. The appropriate local board and the Governor shall provide policy guidance to one-stop career center eligible providers in the local workforce development area for making determinations related to such priority.

(D) DELIVERY OF SERVICES.—Training services provided under this paragraph shall be provided—

(i) except as provided in section 107(d), through eligible providers of such services identified in accordance with section 107; and

(ii) in accordance with subparagraph (E).

(E) CONSUMER CHOICE REQUIREMENTS.—

(i) IN GENERAL.—Training services provided under this paragraph may be provided through the use of career grants, contracts, or other methods (which may include performance-based contracting) and shall, to the extent practicable, maximize consumer choice in the selection of an eligible provider of such services.

(ii) ELIGIBLE PROVIDERS.—Each local workforce development area, through one-stop career centers, shall make available—

(I) the list of eligible providers of training services required under section 107(b)(4), with a description of the training courses available from such providers and a list of the names of on-the-job training providers; and

(II) the performance information described in subsections (b)(4) and (d)(2) of section 107 relating to such providers.

(iii) PURCHASE OF SERVICES.—An individual eligible for receipt of training services under this paragraph may select an eligible provider of training services from the lists of providers described in clause (ii)(I). Upon such selection, the operator of the one-stop career center shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services.

(F) USE OF CAREER GRANTS.—A State or a local workforce development area may deliver all training services authorized in this paragraph through the use of career grants.

(f) PERMISSIBLE LOCAL ACTIVITIES.—

(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to provide, through one-stop delivery described in subsection (d)(2)—

(A) co-location of services related to workforce and career development activities, such as unemployment insurance, vocational rehabilitation program activities, veterans' employment services, or other public assistance;

(B) intensive employment-related services for participants who are unable to obtain employment through the core services, as determined by the State;

(C) dissemination to employers of information on activities carried out through the statewide system;

(D) customized screening and referral of qualified participants to employment; and

(E) customized employment-related services to employers on a fee-for-service basis.

(2) SUPPORTIVE SERVICES.—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to provide supportive services to participants—

(A) who are receiving training services; and

(B) who are unable to obtain such supportive services through other programs providing such services.

(3) FOLLOWUP SERVICES.—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to provide followup services for participants in activities authorized in this section who are placed in unsubsidized employment.

(4) NEEDS-RELATED PAYMENTS.—

(A) IN GENERAL.—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to provide needs-related payments to dislocated workers who are unemployed and do not qualify for, or have ceased to qualify for, unemployment compensation, for the purpose of enabling such individuals to participate in training services.

(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has ceased to qualify for unemployment compensation may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in the training services—

(i) by the end of the 8th week of the worker's initial unemployment compensation benefits period; or

(ii) if later, by the end of the 8th week after the worker is informed that a short-term layoff will, in fact, exceed 6 months.

(C) LEVEL OF PAYMENTS.—The level of a needs-related payment made under this paragraph—

(i) shall not exceed the greater of—

(I) the applicable level of unemployment compensation; or

(II) an amount equal to the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, for an equivalent period; and

(ii) shall be adjusted to reflect changes in total family income.

(5) CAREER GRANT PILOT PROGRAM.—Funds made available to local workforce development areas under section 111(a)(2)(A) may be used to carry out the career grant pilot program described in subsection (g), which may be carried out in conjunction with the provision of training services under subsection (e)(3).

(g) CAREER GRANT PILOT PROGRAM FOR DISLOCATED WORKERS.—The State shall carry out (using funds made available under section 111(a)(2)(B) or by making funds available to local workforce development areas under section 111(a)(2)(A)) a career grant pilot program for dislocated workers that is of sufficient size, scope, and quality to measure the effectiveness of the use of career grants for the provision of training services under subsection (e)(3).

(h) LOCAL ADMINISTRATION.—Not more than 10 percent of the funds made available under section 111(a)(2)(A) to a local workforce development area may be used for administrative expenses.

SEC. 122. AT-RISK YOUTH ACTIVITIES.

(a) REQUIRED ACTIVITIES.—Funds made available to Governors and local workforce development areas under this title for at-risk youth activities shall be used to carry out, for at-risk youth, activities that—

(1) provide strong linkages between academic, occupational, and worksite learning;

(2) provide postsecondary educational opportunities, where appropriate;

(3) involve business and parents in the design and implementation of the activities;

(4) provide adult mentoring;

(5) provide career guidance and counseling; and

(6) are of sufficient size, scope, and quality to be effective.

(b) PERMISSIBLE ACTIVITIES.—Funds made available to Governors and local workforce development areas under this title for at-risk youth activities may be used to carry out, for at-risk youth, activities that provide—

(1) tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies;

(2) alternative secondary school services;

(3) paid and unpaid work experience, including summer employment opportunities, that are directly linked to academic, occupational, and worksite learning; and

(4) training-related supportive services.

(c) LOCAL ADMINISTRATION.—Not more than 10 percent of the funds made available under section 112(a)(2)(A) to a local workforce development area may be used for administrative expenses. The local board for the local workforce development area may use not more than 4 percent of the funds made available under section 112(a)(2)(A) for the administrative expenses of the local board. The remainder of the 10 percent may be used for administrative expenses of eligible providers of at-risk youth activities in the local workforce development area.

SEC. 123. VOCATIONAL EDUCATION ACTIVITIES.

(a) PERMISSIBLE STATE ACTIVITIES.—The eligible agency for vocational education shall use not more than 11 percent of the funds made available to the eligible agency under subtitle A for activities that may include—

(1) an assessment of the activities authorized in this section;

(2) support for tech-prep programs;

(3) support for activities authorized in this section for single parents, displaced homemakers, and single pregnant women;

(4) professional development activities, including—

(A) inservice and preservice training in state-of-the-art vocational education programs and techniques; and

(B) support of education programs for teachers of vocational education in public schools to ensure such teachers stay current with the needs, expectations, and methods of industry;

(5) support for programs that offer experience in, and understanding of, all aspects of the industry students are preparing to enter;

(6) leadership and instructional programs in technology education;

(7) support for cooperative education;

(8) support for family and consumer sciences programs;

(9) support for vocational student organizations;

(10) improvement of career guidance and counseling;

(11) technical assistance; and

(12) performance awards for 1 or more eligible providers that the eligible agency determines have achieved exceptional performance in providing activities described in this section.

(b) REQUIRED LOCAL ACTIVITIES.—The eligible agency for vocational education shall use not less than 85 percent of the funds made available to the eligible agency under subtitle A to provide financial assistance under sections 113 and 114 to eligible providers to enable such providers to carry out activities authorized in this section that include—

(1)(A) integrating academic and vocational education;

(B) integrating classroom and worksite learning; and

(C) linking secondary and postsecondary education, including implementing tech-prep programs;

(2) providing career guidance and counseling;

(3) providing vocational education programs of sufficient size, scope, and quality to be effective;

(4) improving and expanding access to quality, state-of-the-art activities authorized in this section;

(5) providing professional development; and

(6) involving business and parents in the design and implementation of activities authorized in this section.

SEC. 124. ADULT EDUCATION AND LITERACY ACTIVITIES.

(a) PERMISSIBLE STATE ACTIVITIES.—The eligible agency for adult education and literacy may use not more than 10 percent of the funds made available to the eligible agency under subtitle A for activities that may include—

(1) the establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities authorized in this section, including instruction provided by volunteers;

(2) the provision of technical assistance to eligible providers of activities authorized in this section;

(3) the provision of technology assistance to eligible providers of activities authorized in this section to enable the providers to improve the quality of such activities;

(4) the support of State or regional networks of literacy resource centers; and

(5) the monitoring and evaluation of the quality of and the improvement in activities authorized in this section.

(b) REQUIRED LOCAL ACTIVITIES.—The eligible agency for adult education and literacy shall require that each eligible provider receiving a grant under section 116 use the grant to establish or operate 1 or more programs that provide instruction or services in 1 or more of the following categories:

(1) Adult education and literacy services.

(2) Family literacy services.

(3) English literacy programs.

SEC. 125. FLEXIBLE ACTIVITIES.

(a) IN GENERAL.—A State may use the funds made available to the State under this title through the flex account to carry out—

(1) employment and training activities;

(2) at-risk youth activities;

(3) vocational education activities; and

(4) adult education and literacy activities.

(b) USE OF FUNDS.—

(1) EMPLOYMENT AND TRAINING ACTIVITIES.—A State that uses funds made available to the State under this title through the flex account to carry out employment and training activities shall expend such funds in accordance with sections 121 and 126.

(2) AT-RISK YOUTH ACTIVITIES.—A State that uses funds made available to the State under this title through the flex account to carry out at-risk youth activities shall expend such funds in accordance with sections 122 and 126.

(3) VOCATIONAL EDUCATION ACTIVITIES.—A State that uses funds made available to the State under this title through the flex account to carry out vocational education activities shall expend such funds in accordance with sections 123 and 126.

(4) ADULT EDUCATION AND LITERACY ACTIVITIES.—A State that uses funds made available to the State under this title through the flex account to carry out adult education and literacy activities shall expend such funds in accordance with sections 124 and 126.

SEC. 126. REQUIREMENTS AND RESTRICTIONS RELATING TO USE OF FUNDS.

(a) FISCAL REQUIREMENTS FOR VOCATIONAL EDUCATION ACTIVITIES AND ADULT EDUCATION AND LITERACY ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this title for vocational education activities or adult education and literacy activities shall supplement, and may not supplant, other public funds expended to carry out

activities described in section 123 or 124, respectively.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), and subparagraph (B), no payments shall be made under this title for any program year to a State for vocational education activities or adult education and literacy activities unless the Secretary of Education determines that the fiscal effort per student or the aggregate expenditures of such State for activities described in section 123 or 124, respectively, for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for activities described in section 123 or 124, respectively, for the second program year preceding the fiscal year for which the determination is made.

(ii) COMPUTATION.—In computing the fiscal effort or aggregate expenditures pursuant to clause (i), the Secretary of Education shall exclude capital expenditures, special one-time project costs, similar windfalls, and the cost of pilot programs.

(iii) DECREASE IN FEDERAL SUPPORT.—If the amount made available for vocational education activities or adult education and literacy activities under this title for a fiscal year is less than the amount made available for vocational education activities or adult education and literacy activities, respectively, under this title for the preceding fiscal year, then the fiscal effort per student or the aggregate expenditures of a State required by clause (i) for such preceding fiscal year shall be decreased by the same percentage as the percentage decrease in the amount so made available.

(B) SPECIAL RULE.—Notwithstanding any provision of the Carl D. Perkins Vocational Education Act (as such Act was in effect on September 24, 1990), a State shall be deemed to have met the requirements of section 503 of such Act with respect to decisions appealed by applications filed on April 30, 1993 and October 29, 1993 under section 452(b) of the General Education Provisions Act.

(C) WAIVER.—The Secretary of Education may waive the requirements of subparagraph (A) (with respect to not more than 5 percent of expenditures required for the preceding fiscal year by any eligible agency) for 1 program year only, after making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the eligible agency to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this paragraph for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(3) EXPENDITURES OF NON-FEDERAL FUNDS FOR ADULT EDUCATION AND LITERACY ACTIVITIES.—For any program year for which an allotment is made to the State under this title, the State shall expend, on programs and activities relating to adult education and literacy activities, an amount, derived from sources other than the Federal Government, equal to 25 percent of the amount made available to a State under paragraphs (4) and (5) of section 103(a) for adult education and literacy activities.

(b) LIMITATIONS ON ACTIVITIES THAT IMPACT EMPLOYEES.—

(1) WAGES.—No funds provided under this title shall be used to pay the wages of incumbent employees during their participation in economic development activities described in section 121(c)(1)(C) provided through the statewide system.

(2) RELOCATION.—

(A) IN GENERAL.—No funds provided under this title for an employment and training activity shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location, if such original location is within the United States.

(B) REPAYMENT.—If the Secretary of Labor determines that a violation of this paragraph or paragraph (3) has occurred, the Secretary of Labor shall require the State that has violated this paragraph or paragraph (3), respectively, to repay to the United States an amount equal to the amount expended in violation of this paragraph or paragraph (3), respectively.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this title for an employment and training activity shall be used for customized or skill training, on-the-job training, or company-specific assessments of job applicants or employees, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any employee of such business at the original location and such original location is within the United States.

(4) DISPLACEMENT.—

(A) PROHIBITION ON DISPLACEMENT.—A participant in an activity authorized in section 121 or 122 (referred to in this section as a ''specified activity'') shall not displace (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).

(B) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A specified activity shall not impair an existing contract for services or collective bargaining agreement, and no such activity that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(C) PROHIBITION ON REPLACEMENT.—A participant in a specified activity shall not be employed in a job—

(i) when any other individual is on temporary layoff, with the clear possibility of recall, from the same or any substantially equivalent job with the participating employer; or

(ii) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the participant.

(5) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in specified activities. To the extent that a State workers' compensation law applies, workers' compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State in similar employment.

(6) EMPLOYMENT CONDITIONS.—Participants employed or assigned to work in positions subsidized for specified activities shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(7) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, color, religion, sex, national origin, age, or disability.

(8) NONDISCRIMINATION.—Except as otherwise permitted in law, no individual may be discriminated against with respect to participation in specified activities because of race, color, religion, sex, national origin, age, or disability.

(9) GRIEVANCE PROCEDURE.—A State that receives an allotment under section 102 shall establish and maintain a grievance procedure for resolving complaints alleging violations of any of the prohibitions or requirements described in this subsection.

(10) EXCLUSIVE REMEDY.—Except as provided in paragraph (7), nothing in this Act shall be construed to provide an individual with an entitlement to a service or to establish a right for an individual to bring any action for a violation of a prohibition or requirement of this title or to obtain services through an activity established under this title, except that a participant in specified activities under this title may pursue a complaint alleging a violation of any of the prohibitions or requirements described in this subsection through the grievance procedure described in paragraph (9).

(c) LIMITATIONS ON PARTICIPANTS IN TRAINING SERVICES.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in training services described in section 121(e)(3) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in such training services by an individual for whom the requirement described in subparagraph (A) has been determined to be inappropriate, pursuant to the interview, evaluation or assessment, and counseling described in section 121(e)(3)(A).

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in such training services, and a determination described in paragraph (1)(B) has not been made for such individual, such individual shall be referred to State-approved adult education and literacy activities that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) PROVISION OF SERVICES.—Funds made available under section 111(a)(2)(A) and allocated within the local workforce development area for the provision of such training services may be used to provide State-approved adult education and literacy activities that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in such training services; and

(ii) are otherwise unable to obtain such services.

(d) DRUG TESTING LIMITATIONS ON PARTICIPANTS IN TRAINING SERVICES.—

(1) FINDING.—Congress finds that—

(A) the possession, distribution, and use of drugs by participants in training services should not be tolerated, and that such use prevents participants from making full use of the benefits extended through such training services at the expense of taxpayers; and

(B) applicants and participants should be tested for illegal drug use, in order to maximize the training services and assistance provided under this title.

(2) DRUG TESTS.—Each eligible provider of training services described in section 121(e)(3) shall administer a drug test—

(A) on a random basis, to individuals who apply to participate in such training services; and

(B) to a participant in such training services, on reasonable suspicion of drug use by the participant.

(3) ELIGIBILITY OF APPLICANTS.—In order for such an applicant to be eligible to participate in such training services, the applicant shall agree to submit to a drug test administered as described in paragraph (2)(A) and, if the test is administered to the applicant, shall pass the test.

(4) ELIGIBILITY OF PARTICIPANTS.—In order for such a participant to remain eligible to participate in such training services, the participant shall agree to submit to a drug test administered as described in paragraph (2)(B) and, if the test is administered to the participant, shall pass the test. If a participant refuses to submit to the drug test, or fails the drug test, the eligible provider shall dismiss the participant from participation in such training services.

(5) REAPPLICATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an individual who is an applicant and is disqualified from eligibility under paragraph (3), or who is a participant and is dismissed under paragraph (4), may reapply, not earlier than 6 months after the date of the disqualification or dismissal, to participate in such training services. If the individual demonstrates that the individual has completed a drug treatment program and passed a drug test within the 30-day period prior to the date of the reapplication, the individual may participate in such training services, under the same terms and conditions as apply to other applicants and participants, including submission to drug tests administered as described in paragraph (2).

(B) SECOND DISQUALIFICATION OR DISMISSAL.—If the individual reapplies to participate in such training services and fails a drug test administered under paragraph (2) by the eligible provider, while the individual is an applicant or a participant, the eligible provider shall disqualify the individual from eligibility for, or dismiss the individual from participation in, such training services. The individual shall not be eligible to reapply for participation in the such training services for 2 years after such disqualification or dismissal.

(6) APPEAL.—A decision by an eligible provider to disqualify an individual from eligibility for participation in such training services under paragraph (3) or (5), or to dismiss a participant as described in paragraph (4) or (5), shall be subject to expeditious appeal in accordance with procedures established by the State in which the eligible provider is located.

(7) NATIONAL UNIFORM GUIDELINES.—

(A) IN GENERAL.—The Secretary of Labor shall develop voluntary guidelines to assist eligible providers concerning the drug testing required under this subsection.

(B) PRIVACY.—The guidelines shall promote, to the maximum extent practicable, individual privacy in the collection of specimen samples for such drug testing.

(C) LABORATORIES AND PROCEDURES.—With respect to standards concerning laboratories and procedures for such drug testing, the guidelines shall incorporate the Mandatory Guidelines for Federal Workplace Drug Testing Programs, 53 Fed. Reg. 11970 (1988) (or a successor to such guidelines), including the portion of the mandatory guidelines that—

(i) establishes comprehensive standards for all aspects of laboratory drug testing and laboratory procedures, including standards that require the use of the best available technology for ensuring the full reliability and accuracy of drug tests and strict procedures governing the chain of custody of specimen samples;

(ii) establishes the minimum list of drugs for which individuals may be tested; and

(iii) establishes appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform such drug testing.

(D) SCREENING AND CONFIRMATION.—The guidelines described in subparagraph (A) shall provide that, for drug testing conducted under this subsection—

(i) each laboratory involved in the drug testing of any individual shall have the capability and facility, at such laboratory, of performing screening and confirmation tests;

(ii) all tests that indicate the use, in violation of law (including Federal regulation) of a drug by the individual shall be confirmed by a scientifically recognized method of testing capable of providing quantitative data regarding the drug;

(iii) each specimen sample shall be subdivided, secured, and labeled in the presence of the individual; and

(iv) a portion of each specimen sample shall be retained in a secure manner to prevent the possibility of tampering, so that if the confirmation test results are positive the individual has an opportunity to have the retained portion assayed by a confirmation test done independently at a second certified laboratory, if the individual requests the independent test not later than 3 days after being advised of the results of the first confirmation test.

(E) CONFIDENTIALITY.—The guidelines shall provide for the confidentiality of the test results and medical information (other than information relating to a drug) of the individuals tested under this subsection, except that the provisions of this subparagraph shall not preclude the use of test results for the orderly imposition of appropriate sanctions under this subsection.

(F) SELECTION FOR RANDOM TESTS.—The guidelines shall ensure that individuals who apply to participate in the training services described in paragraph (2) are selected for drug testing on a random basis, using nondiscriminatory and impartial methods.

(8) NONLIABILITY OF LOCAL BOARDS.—A local board, and the individual members of a local board, shall be immune from civil liability with respect to any claim based in whole or part on activities carried out to implement this subsection.

(9) REPORTING REQUIREMENTS.—An eligible provider shall make records of drug testing conducted under this subsection available for inspection by other eligible providers, including eligible providers in other local workforce development areas, for the sole purpose of enabling the providers to determine the eligibility status of an applicant pursuant to this subsection.

(10) USE OF DRUG TESTS.—No Federal, State, or local prosecutor may use drug test results obtained under this subsection in a criminal action.

(11) DEFINITIONS.—As used in this subsection:

(A) DRUG.—The term ''drug'' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

(B) DRUG TEST.—The term ''drug test'' means a biochemical drug test carried out by a facility that is approved by the eligible provider administering the test.

(C) RANDOM BASIS.—For purposes of the application of this subsection in a State, the term ''random basis'' has the meaning determined by the Governor of the State, in the sole discretion of the Governor.

(e) SUPPORTIVE SERVICES.—Supportive services may be provided with funds provided through the allotment described in section 102 only to the extent that such services are not available through alternative funding sources specifically designated for such services.

(f) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Notwithstanding subtitle B and this subtitle, a portion of the funds made available under subtitle A may be distributed to 1 or more State corrections agencies to enable the State corrections agencies to carry out any activity described in this subtitle for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(g) SENSE OF THE CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this title should be made in the United States.

Subtitle D—National Activities

SEC. 131. COORDINATION PROVISIONS.

(a) COLLABORATIVE ADMINISTRATION.—The Secretary of Labor and the Secretary of Education (referred to in this section as ''the Secretaries'') shall enter into an interagency agreement to administer the provisions of this title (other than sections 103(d), 113, 114, 126(a), 126(b), 138, and 139 (referred to in this section as the ''excluded provisions'')).

(b) RESPONSIBILITIES OF SECRETARIES.—Such agreement shall specify the manner in which the Secretaries shall administer this title (other than the excluded provisions), including—

(1) making allotment determinations under section 102;

(2) reviewing State plans submitted in accordance with section 104;

(3) carrying out the duties assigned to the Secretaries under section 106;

(4)(A) establishing uniform procedures, including grantmaking procedures; and

(B) issuing uniform guidelines and regulations, subject to subsection (e);

(5) carrying out the duties assigned to the Secretaries under this subtitle (other than sections 138 and 139);

(6) preparing and submitting to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate an annual report on the absolute and relative performance of States in reaching State benchmarks; and

(7) reviewing federally funded education, employment, and job training programs, other than activities authorized under this title, and submitting recommendations to the Committees described in paragraph (6) regarding the integration of such programs into the statewide systems.

(c) CONTENTS.—The interagency agreement shall include, at a minimum—

(1) a description of the methods the Secretaries will use to work together to carry out their duties and responsibilities under this title in a manner that will ensure that neither the Department of Labor nor the Department of Education duplicates the work of the other department; and

(2) a description of the manner in which the Secretaries will utilize personnel and other resources of the Department of Labor and the Department of Education to administer this title (other than the excluded provisions).

(d) ADMINISTRATION OF THE ACT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretaries shall prepare and submit to the President, the Committee on Economic and Educational Opportunities of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, the interagency agreement. Such agreement shall also be available to the public through publication in the Federal Register.

(2) APPROVAL.—Not later than 200 days after the date of enactment of this Act, the President shall—

(A) approve or disapprove the interagency agreement made by the Secretaries; and

(B) if the agreement is disapproved, make recommendations to the Secretaries with respect to an alternative plan and require the Secretaries to submit such a plan in accordance with this section not later than 30 days after the date of the disapproval.

(e) LIMITATION ON FEDERAL REGULATIONS.—The Secretary of Labor or the Secretary of Education may issue regulations under this title only to the extent necessary to administer and ensure compliance with the specific requirements of this title.

(f) EFFECT ON PERSONNEL.—

(1) IN GENERAL.—The Secretaries shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that the positions of personnel that relate to a covered activity and are not otherwise minimally necessary to carry out this Act are terminated.

(2) SCOPE.—

(A) INITIAL REDUCTIONS.—Not later than July 1, 1998, the Secretaries shall take the actions described in paragraph (1), including reduction in force actions, with respect to not less than ⅓ of the number of positions of personnel that relate to a covered activity.

(B) SUBSEQUENT REDUCTIONS.—Not later than July 1, 2003, the Secretaries shall take the actions described in paragraph (1)—

(i) with respect to not less than 60 percent of the number of positions of personnel that relate to a covered activity, unless the Secretaries submit (prior to July 1, 2003) a report to Congress demonstrating why such actions have not occurred; or

(ii) with respect to not less than 40 percent of the number of positions of personnel that relate to a covered activity, if the Secretaries submit the report referred to in clause (i).

(C) CALCULATION.—For purposes of calculating, under this paragraph, the number of positions of personnel that relate to a covered activity, such number shall include the number of positions of personnel that are terminated under paragraph (1).

SEC. 132. INCENTIVE GRANTS AND SANCTIONS.

(a) INCENTIVE GRANTS.—

(1) AWARD OF GRANTS.—From amounts reserved under section 151(b)(5) for any fiscal year, the Secretaries may award incentive grants to States, each of which shall be awarded for not more than $15,000,000 per fiscal year to a State that—

(A)(i) reaches or exceeds, during the most recent 12-month period for which data are available, State benchmarks required under section 106(b), including the benchmarks required under section 106(b)(3); or

(ii) demonstrates continuing progress toward reaching or exceeding, during the 3-year period covered by the State plan submitted under section 104, the benchmarks described in clause (i);

(B) obtains an eligibility determination described in paragraph (2)(A) for such benchmarks; and

(C) demonstrates, in the State plan information submitted under section 104(b)(1)(B)(ii), that the Governor and eligible agencies have agreed on all elements of the State plan.

(2) ELIGIBILITY DETERMINATIONS.—

(A) INITIAL DETERMINATIONS.—

(i) DETERMINATION.—Not later than 30 days after receipt of the State plan submitted under section 104, the Secretaries shall—

(I) compare the proposed State benchmarks identified in the State plan with State benchmarks proposed in other State plans; and

(II) determine if the proposed State benchmarks, taken as a whole, are sufficient to make the State eligible to qualify for an incentive grant under this subsection, if the State meets the requirements of subparagraphs (A) and (C) of paragraph (1).

(ii) NOTIFICATION, REVISION, AND TECHNICAL ASSISTANCE.—If the Secretaries determine that a State is not eligible to qualify for an incentive grant pursuant to clause (i)(II), the Secretaries shall provide, upon request, technical assistance to the State regarding the necessary action to be taken to make the State eligible to qualify for such grant under this subsection. Such State shall have 30 days after the date on which the State receives notification of ineligibility or the date on which the State receives technical assistance, whichever is later, to revise the State benchmarks in order to become eligible to qualify for an incentive grant under this subsection, if the State meets the requirements of subparagraphs (A) and (C) of paragraph (1).

(B) GRANT DETERMINATIONS.—Not later than 30 days after receipt of an annual report submitted under section 106(c) that contains an application for such an incentive grant from a State that meets the requirements of paragraph (1), the Secretaries shall—

(i) compare the progress the State has made toward reaching or exceeding the State benchmarks, as described in such annual report, with the progress made by the other States towards reaching or exceeding their State benchmarks, as described in such annual reports of the other States; and

(ii) determine if the progress the State has made toward reaching or exceeding the State benchmarks, taken as a whole, is sufficient to enable the State to receive an incentive grant under this subsection.

(3) USE OF FUNDS.—A State that receives an incentive grant may use funds made available through the grant only to carry out workforce and career development activities. Determinations concerning the distribution of such funds shall be made by the individuals and entities participating in the collaborative process described in subsection (a) or (b) of section 105.

(b) SANCTIONS.—

(1) FINDING.—If a State fails to meet the State benchmarks required under section 106(b) for the 3 years covered by a State plan described in section 104, the Secretaries shall determine whether the failure is attributable to—

(A) employment and training activities;

(B) at-risk youth activities;

(C) vocational education activities; or

(D) adult education and literacy activities.

(2) TECHNICAL ASSISTANCE OR REDUCTION OF ALLOTMENTS.—

(A) IN GENERAL.—The Secretaries may—

(i) provide technical assistance to the State to improve the level of performance of the State; or

(ii) on making a determination described in paragraph (1), reduce, by not more than 10 percent, the portion of the allotment made under section 102 for the category of activities to which the failure is attributable.

(B) PORTION OF THE ALLOTMENT.—For purposes of subparagraph (A), in determining a portion of an allotment for a category of activities, the Secretaries shall include in such portion any funds allocated to such category from the flex account.

(3) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretaries may use an amount retained as a result of a reduction in an allotment made under paragraph (2)(A)(ii) to award an incentive grant under subsection (a).

SEC. 133. NATIONAL EMERGENCY GRANTS.

(a) IN GENERAL.—From the amounts reserved under section 151(b)(5), the Secretary of Labor, in accordance with the interagency agreement developed pursuant to section 131, is authorized to award national emergency grants, in a timely manner—

(1) to an entity described in subsection (b) to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and

(2) to provide assistance to the Governor of any State within the boundaries of which is an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (referred to in this section as the ''disaster area'').

(b) EMPLOYMENT AND TRAINING ASSISTANCE REQUIREMENTS.—

(1) APPLICATION.—To be eligible to receive a grant under subsection (a)(1), an entity shall submit an application to the Secretary of Labor at such time, in such manner, and accompanied by such information, as the Secretary may reasonably require.

(2) ELIGIBLE ENTITY.—For purposes of this section, the term ''entity'' means a State, unit of general local government, or public or private local entity, including a for profit or nonprofit entity.

(c) DISASTER RELIEF EMPLOYMENT ASSISTANCE REQUIREMENTS.—Funds made available under subsection (a)(2)—

(1) shall be used exclusively to provide employment on projects that provide food, clothing, shelter, and other humanitarian assistance for disaster victims, and projects regarding demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(2) may be expended through public and private agencies and organizations engaged in such projects.

SEC. 134. EVALUATION; RESEARCH, DEMONSTRATIONS, DISSEMINATION, AND TECHNICAL ASSISTANCE.

(a) SINGLE PLAN.—

(1) IN GENERAL.—The Secretaries, as part of the interagency agreement required under section 131, shall develop a single plan for evaluation and assessment, research, demonstrations, dissemination, and technical assistance activities with regard to the activities assisted under this title.

(2) PLAN.—Such plan shall—

(A) identify the activities the Secretaries will carry out under this section;

(B) describe how such activities will be carried out collaboratively;

(C) describe how the Secretaries will evaluate such activities in accordance with subsection (b); and

(D) include such other information as the Secretaries determine to be appropriate through the interagency agreement.

(b) EVALUATION AND ASSESSMENT.—

(1) IN GENERAL.—From amounts made available under paragraph (3), the Secretaries shall provide for the conduct of an independent evaluation and assessment of employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities, through studies and analyses conducted independently through grants and contracts awarded on a competitive basis.

(2) CONTENTS.—Such evaluation and assessment shall include descriptions of—

(A) the extent to which State, local, and tribal entities have developed, implemented, or improved the statewide system;

(B) the degree to which the expenditures at the Federal, State, local, and tribal levels address improvement in employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities, including the impact of funds provided under this title on the delivery of such activities;

(C) the extent to which vocational education activities and at-risk youth activities succeed in preparing individuals participating in such activities for entry into postsecondary education, further learning, or high-skill, high-wage careers;

(D) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities, including family literacy services;

(E) the extent to which employment and training activities enhance the employment and earnings of participants in such activities, reduce income support costs, improve the employment competencies of such participants, and increase the level of employment of program participants over the level of employment that would have existed in the absence of such activities, which may be evaluated using experimental and control groups chosen by scientific random assignment; and

(F) the extent to which the adult education and literacy activities, including family literacy services, increase the literacy skills of adults, and of children in the case of family literacy services, lead the participants in such activities to involvement in further education and training, enhance the employment and earnings of such participants, and, if applicable, lead to

other positive outcomes such as reductions in recidivism in the case of prison-based adult education and literacy activities.

(3) AUTHORIZATION.—There are authorized to be appropriated $15,000,000 for fiscal year 1998 and such sums as may be necessary for each of the fiscal years 1999 through 2002 to carry out this subsection.

(c) RESEARCH.—

(1) IN GENERAL.—The Secretaries, pursuant to the interagency agreement, shall award grants, on a competitive basis, to an institution of higher education, a public or private organization or agency, or a consortium of such institutions, organizations, or agencies to establish a national research center or centers—

(A) to carry out research for the purpose of developing, improving, and identifying the most successful methods and techniques for addressing the education, employment, and training needs of adults;

(B) to carry out research for the purpose of developing, improving, and identifying the most successful methods for successfully addressing the education, employment, and training needs of at-risk youth;

(C) to carry out research to increase the effectiveness and improve the implementation of vocational education activities, including conducting research and development, and providing technical assistance, with respect to—

(i) combining academic, vocational education, and worksite learning;

(ii) identifying ways to establish effective linkages among employment and training activities, at-risk youth activities, and vocational education activities, at the State and local levels; and

(iii) conducting studies providing longitudinal information or formative evaluation with respect to vocational education activities;

(D) to carry out research to increase the effectiveness of and improve the quality of adult education and literacy activities, including family literacy services;

(E) to provide technical assistance to State and local recipients of assistance under this title in developing and using benchmarks and performance measures for improvement of workforce and career development activities; and

(F) to carry out such other activities as the Secretaries determine to be appropriate to achieve the purposes of this title.

(2) SUMMARY.—The Secretaries shall provide an annual report summarizing the evaluations and assessments described in subsection (b), and the research conducted pursuant to this subsection, and the findings of such evaluations and assessments, and research, to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(3) AUTHORIZATION.—There are authorized to be appropriated $15,000,000 for fiscal year 1998 and such sums as may be necessary for each of the fiscal years 1999 through 2002 to carry out this subsection.

(d) DEMONSTRATIONS, DISSEMINATION, AND TECHNICAL ASSISTANCE.—

(1) AUTHORITY.—

(A) PROGRAMS AND ASSISTANCE AUTHORIZED.—The Secretaries, pursuant to the interagency agreement, are authorized to carry out demonstration programs, to replicate model programs, to disseminate best practices information, and to provide technical assistance, for the purposes of developing, improving, and identifying the most successful methods and techniques for providing the activities assisted under this title.

(B) ACTIVITIES.—Such activities may be carried out directly or through grants, contracts, cooperative agreements, or through the national center or centers, and may include projects—

(i) conducted jointly with the Department of Defense to develop training programs utilizing computer-based and other innovative learning technologies;

(ii) which promote the use of distance learning—

(I) to enable students to take courses through the use of media technology, such as video, teleconferencing, computers, or the Internet; and

(II) to deliver continuing education, skills upgrading and retraining services, and postsecondary education, directly to the community or to individuals who would not otherwise have access to such education and services; and

(iii) conducted through partnerships with national organizations which have special expertise in developing, organizing, and administering employment and training services for individuals with disabilities at the national, State, and local levels.

(2) CLEARINGHOUSE.—The Secretaries shall maintain a clearinghouse, through the national center or centers, that will collect and disseminate to Federal, State, and local organizations, agencies, and service providers data and information, including information on best practices, about the condition of statewide systems and employment and training activities, at-risk youth activities, vocational education activities, and adult education and literacy activities.

(3) TECHNICAL ASSISTANCE.—The Secretaries shall provide technical assistance to States and local areas to enhance the capacity of such States and local areas to develop and deliver effective activities under this title.

(4) AUTHORIZATION.—There are authorized to be appropriated $30,000,000 for fiscal year 1998 and such sums as may be necessary for each of fiscal years 1999 through 2002 to carry out this subsection.

(e) TRANSITION PERIOD.—Notwithstanding any other provision of law, the Secretaries may use funds made available under section 404 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2404) to prepare, during the period beginning on January 1, 1998, and ending June 30, 1998, to award a grant under subsection (c) on July 1, 1998.

(f) DEFINITION.—As used in this section, the term ''institution of higher education'' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(g) CONFORMING AMENDMENTS.—Section 404(a)(2) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2404(a)(2)) is amended—

(1) in subparagraph (A), by striking ''for a period of 5 years'' and inserting ''until June 30, 1998''; and

(2) in the first sentence of subparagraph (B), by striking ''5''.

(h) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on July 1, 1998.

(2) TRANSITION PROVISIONS.—Subsection (e) shall take effect on January 1, 1998.

(3) AMENDMENTS.—The amendments made by subsection (g) shall take effect on the date of enactment of this Act.

SEC. 135. MIGRANT AND SEASONAL FARMWORKER PROGRAM.

(a) IN GENERAL.—From amounts reserved under section 151(b)(2), the Secretaries shall make grants to, or enter into contracts with, eligible entities to carry out the activities described in subsection (d).

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant or enter into a contract under this section, an entity shall have an understanding of the problems of migrant farmworkers or seasonal farmworkers, a familiarity with the area to be served, and the ability to demonstrate a capacity to administer effectively a diversified program of workforce and career development activities for migrant farmworkers or seasonal farmworkers, respectively.

(c) PROGRAM PLAN.—

(1) IN GENERAL.—To be eligible to receive a grant or enter into a contract under this section, an entity described in subsection (b) shall submit to the Secretaries a plan that describes a 3-year strategy for meeting the needs of migrant farmworkers or seasonal farmworkers, and the dependents of such farmworkers, in the area to be served by such entity.

(2) CONTENTS.—Such plan shall—

(A) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or be retained in unsubsidized employment;

(B) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(C) describe the goals and benchmarks to be used to assess the performance of such entity in carrying out the activities assisted under this section.

(d) AUTHORIZED ACTIVITIES.—Funds made available under this section shall be used to carry out comprehensive workforce and career development activities and related services for migrant farmworkers or seasonal farmworkers which may include employment, training, educational assistance, literacy assistance, an English literacy program, worker safety training, housing, supportive services, and the continuation of the case management database on participating migrant farmworkers or seasonal farmworkers.

(e) CONSULTATION WITH GOVERNORS AND LOCAL BOARDS.—In making grants and entering into contracts under this section, the Secretaries shall consult with the Governors and local boards of the States in which the eligible entities will carry out the activities described in subsection (d).

(f) REGULATIONS.—The Secretaries shall consult with migrant and seasonal farmworker groups and States in establishing regulations to carry out this section, including performance standards for eligible entities which take into account the economic circumstances of migrant farmworkers and seasonal farmworkers.

(g) DEFINITIONS.—As used in this section:

(1) MIGRANT FARMWORKER.—The term ''migrant farmworker'' means a seasonal farmworker whose farm work requires travel such that the worker is unable to return to a permanent place of residence within the same day.

(2) SEASONAL FARMWORKER.—The term ''seasonal farmworker'' means a person who during the eligibility determination period (12 consecutive months out of 24 months prior to application) has been primarily employed in farm work that is characterized by chronic unemployment or under employment.

SEC. 136. NATIVE AMERICAN PROGRAM.

(a) PURPOSE AND POLICY.—

(1) PURPOSE.—The purpose of this section is to support workforce and career development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term ''Alaska Native'' means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms ''Indian'', ''Indian tribe'',

and ''tribal organization'' have the meanings given such terms in subsections (d), (e), and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms ''Native Hawaiian'' and ''Native Hawaiian organization'' have the meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term ''tribally controlled community college'' has the meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term ''tribally controlled postsecondary vocational institution'' means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—From amounts reserved under section 151(b)(3), the Secretaries shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes, tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) TRANSFER OF AUTHORITY FOR VOCATIONAL EDUCATION ACTIVITIES.—In carrying out paragraph (1), the Secretaries may agree that the Secretary of Education may provide any portion of assistance under paragraph (1) devoted to vocational education activities, including assistance provided to entities described in paragraph (1) that are not eligible for funding pursuant to the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801 et seq.).

(3) SPECIAL AUTHORITY RELATING TO SECONDARY SCHOOLS OPERATED OR SUPPORTED BY THE BUREAU OF INDIAN AFFAIRS.—An Indian tribe, a tribal organization, or an Alaska Native entity, that receives funds through a grant made or contract entered into under paragraph (1) may use the funds to provide assistance to a secondary school operated or supported by the Bureau of Indian Affairs to enable such school to carry out vocational education activities.

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians or Native Hawaiians preparing to enter, renter, or retain unsubsidized employment.

(2) WORKFORCE AND CAREER DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce and career development activities for Indians or Native Hawaiians; or

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION ACTIVITIES AND ADULT EDUCATION AND LITERACY ACTIVITIES.—Funds made available under this section shall be used for—

(A) vocational education activities and adult education and literacy activities conducted by entities described in subsection (c); or

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c) shall submit to the Secretaries a plan that describes a 3-year strategy for meeting the needs of Indian or Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan—

(1) shall be consistent with the purposes of this section;

(2) shall identify the population to be served;

(3) shall identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) shall describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) shall describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c) to participate in any activity offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) ADMINISTRATIVE PROVISIONS.—

(1) ORGANIZATIONAL UNIT ESTABLISHED.—The Secretaries shall designate a single organizational unit that shall have as the unit's primary responsibility the administration of the activities authorized in this section.

(2) REGULATIONS.—The Secretaries shall consult with the entities described in subsection (c)—

(A) in establishing regulations to carry out this section, including performance standards for entities receiving assistance under this section, that take into account the economic circumstances of such entities; and

(B) in developing a funding distribution plan that takes into consideration previous levels of funding, and sources of funds not provided pursuant to this title.

(3) TECHNICAL ASSISTANCE.—The Secretaries, through the unit established under paragraph (1), are authorized to provide technical assistance to entities described in subsection (c) that receive assistance under this section to enable such entities to improve the workforce and career development activities provided by such entities.

SEC. 137. GRANTS TO OUTLYING AREAS.

(a) APPLICABILITY OF TITLE TO OUTLYING AREAS.—The provisions of this title (other than this section) shall apply to each outlying area to the extent practicable in the same manner and to the same extent as the provisions apply to a State.

(b) ALLOTMENT.—

(1) IN GENERAL.—For each program year the Secretaries shall allot funds in accordance with paragraph (2) for each outlying area that meets the applicable requirements of this title to enable the outlying area to carry out workforce and career development activities.

(2) POPULATION DATA.—Except as provided in subsection (c), from the amount reserved under section 151(b)(4), the Secretaries shall allot for each outlying area an amount that bears the same relationship to such funds as the total number of individuals who are not less than age 15 but not more than age 65 (as determined by the Secretaries using the most recent census data prior to the program year for which the allotment is made) in the outlying area bears to the total number of such individuals in all outlying areas.

(c) GRANT AWARDS.—

(1) UNITED STATES TERRITORIES.—The Secretaries shall award grants from allotments under subsection (b) to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the United States Virgin Islands.

(2) LIMITATION FOR FREELY ASSOCIATED STATES.—

(A) COMPETITIVE GRANTS.—Using funds allotted for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau under subsection (b), the Secretaries shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out workforce and career development activities.

(B) AWARD BASIS.—The Secretaries shall award grants pursuant to subparagraph (A) on a competitive basis and pursuant to recommendations from the Pacific Region Educational Laboratory in Honolulu, Hawaii.

(C) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this paragraph for any program year that begins after September 30, 2001.

(D) ADMINISTRATIVE COSTS.—The Secretaries may provide not more than 5 percent of the amount made available for grants under this paragraph to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this section.

SEC. 138. NATIONAL INSTITUTE FOR LITERACY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the National Institute for Literacy (in this section referred to as the ''Institute''). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the ''Interagency Group''). The Interagency Group may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education, the Department of Labor, or the Department of Health and Human Services whose purpose is determined by the Interagency Group to be related to the purpose of the Institute.

(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education, the Department of Labor, and the Department of Health and Human Services.

(3) BOARD RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the ''Board'') established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals.

(4) DAILY OPERATIONS.—The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g).

(b) DUTIES.—

(1) IN GENERAL.—The Institute shall improve the quality and accountability of the adult basic skills and literacy delivery system by—

(A) providing national leadership for the improvement and expansion of the system for delivery of literacy services;

(B) coordinating the delivery of such services across Federal agencies;

(C) identifying effective models of basic skills and literacy education for adults and families that are essential to success in job training, work, the family, and the community;

(D) supporting the creation of new methods of offering improved literacy services;

(E) funding a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to improve literacy by—

(i) encouraging the coordination of literacy services;

(ii) carrying out evaluations of the effectiveness of adult education and literacy activities;

(iii) enhancing the capacity of State and local organizations to provide literacy services; and

(iv) serving as a reciprocal link between the Institute and providers of workforce and career development activities for the purpose of sharing information, data, research, expertise, and literacy resources;

(F) supporting the development of models at the State and local level of accountability systems that consist of goals, performance measures, benchmarks, and assessments that can be used to improve the quality of adult education and literacy activities;

(G) providing technical assistance, information, and other program improvement activities to national, State, and local organizations, such as—

(i) providing information and training to local boards and one-stop career centers concerning how literacy and basic skills services can be incorporated in a coordinated workforce development model;

(ii) improving the capacity of national, State, and local public and private organizations that provide literacy and basic skills services, professional development, and technical assistance, such as the State or regional adult literacy resource centers referred to in subparagraph (E); and

(iii) establishing a national literacy electronic database and communications network;

(H) working with the Interagency Group, Federal agencies, and the Congress to ensure that such Group, agencies, and the Congress have the best information available on literacy and basic skills programs in formulating Federal policy with respect to the issues of literacy, basic skills, and workforce and career development; and

(I) assisting with the development of policy with respect to literacy and basic skills.

(2) GRANTS, CONTRACTS, AND AGREEMENTS.—The Institute may make grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

(c) LITERACY LEADERSHIP.—

(1) FELLOWSHIPS.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

(3) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

(d) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There is established a National Institute for Literacy Advisory Board. The Board shall consist of 10 individuals appointed by the President, with the advice and consent of the Senate, from individuals who—

(i) are not otherwise officers or employees of the Federal Government; and

(ii) are representative of entities or groups described in subparagraph (B).

(B) ENTITIES OR GROUPS DESCRIBED.—The entities or groups referred to in subparagraph (A) are—

(i) literacy organizations and providers of literacy services, including—

(I) nonprofit providers of literacy services;

(II) providers of programs and services involving English language instruction; and

(III) providers of services receiving assistance under this title;

(ii) businesses that have demonstrated interest in literacy programs;

(iii) literacy students;

(iv) experts in the area of literacy research;

(v) State and local governments; and

(vi) representatives of employees.

(2) DUTIES.—The Board—

(A) shall make recommendations concerning the appointment of the Director and staff of the Institute;

(B) shall provide independent advice on the operation of the Institute; and

(C) shall receive reports from the Interagency Group and the Director.

(3) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

(4) TERMS.—

(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which ⅓ of the members are selected each year. Any such member may be appointed for not more than 2 consecutive terms.

(B) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

(5) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation of the Board may be passed only by a majority of the Board's members present.

(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members of the Board. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

(7) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of the members of the Board.

(e) GIFTS, BEQUESTS, AND DEVISES.—The Institute may accept, administer, and use gifts or donations of services, money, or property, both real and personal.

(f) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(g) DIRECTOR.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

(h) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum rate payable under section 5376 of title 5, United States Code.

(i) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(j) REPORT.—The Institute shall submit a report biennially to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Each report submitted under this subsection shall include—

(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for the period covered by the report;

(2) a description of how plans for the operation of the Institute for the succeeding two fiscal years will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the Department of Education, the Department of Labor, and the Department of Health and Human Services; and

(3) any additional minority, or dissenting views submitted by members of the Board.

(k) FUNDING.—Any amounts appropriated to the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out this section.

SEC. 139. LABOR MARKET INFORMATION.

(a) SYSTEM CONTENT.—

(1) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the maintenance and continuous improvement of the system of labor market information that includes—

(A) statistical programs of data collection, compilation, estimation, and publication conducted in cooperation with the Bureau of Labor Statistics;

(B) State and local employment information, including other appropriate statistical data related to labor market dynamics (compiled by and for States and localities with technical assistance provided by the Secretary) that will—

(i) assist individuals to make informed choices relating to employment and training; and

(ii) assist employers to locate and train individuals who are seeking employment and training;

(C) technical standards for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

(D) analysis of data and information described in subparagraphs (A) and (B) for uses such as State and local policymaking;

(E) wide dissemination of such data, information, and analysis, training for users of the data, information, and analysis, and voluntary technical standards for dissemination mechanisms; and

(F) programs of—

(i) research and demonstration; and

(ii) technical assistance for States and localities.

(2) INFORMATION TO BE CONFIDENTIAL.—

(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

(i) use the information furnished under the provisions of this section for any purpose other than the statistical purposes for which such information is furnished;

(ii) make any publication from which the data contained in the information so furnished under this section can be used to identify any individual; or

(iii) permit any individual other than the sworn officers, employees, or agents of any Federal department or agency to examine individual reports through which the information is furnished.

(B) IMMUNITY FROM LEGAL PROCESS.—

(i) IN GENERAL.—Any information that is collected and retained for purposes of this section shall be immune from the legal process and shall not, without the consent of the individual concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

(ii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed as providing immunity from the legal process for information that is independently collected or produced for purposes other than for purposes of this section.

(b) SYSTEM RESPONSIBILITIES.—

(1) IN GENERAL.—The labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government, States, and local entities.

(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information for the system, shall carry out the following duties:

(A) Assign responsibilities within the Department of Labor for elements of the system content described in subsection (a) to ensure that all statistical and administrative data collected is consistent.

(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

(D) In collaboration with the States and the Bureau of Labor Statistics, develop and maintain the necessary elements of the system described in subsection (a), including the development of consistent definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1) and the development of the annual plan under subsection (c).

(c) ANNUAL PLAN.—

(1) IN GENERAL.—The Secretary, in collaboration with the States and the Bureau of Labor Statistics, and with the assistance of other appropriate Federal agencies, shall prepare an annual plan that shall describe the cooperative Federal-State governance structure for the labor market information system. The plan shall—

(A) describe the elements of the system, including consistent definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1);

(B) describe how the system will ensure that—

(i) such data are timely;

(ii) administrative records are consistent in order to facilitate aggregation of such data;

(iii) paperwork and reporting are reduced to a minimum; and

(iv) States and localities are fully involved in the maintenance and continuous improvement of the system at the State and local levels;

(C) evaluate the performance of the system and recommend needed improvements; and

(D) describe current (as of the date of the submission of the plan) spending and spending needs to carry out activities under this section.

(2) COOPERATION WITH THE STATES.—The Secretary and the Bureau of Labor Statistics, in cooperation with the States, shall develop the plan by holding formal consultations, which shall be held on not less than a semiannual basis, with—

(A) State representatives who have expertise in labor market information, selected by the Governors of each State;

(B) representatives from each of the ten Federal regions of the Department of Labor, elected by and from among individuals who perform the duties described in subsection (d)(2) pursuant to a process agreed upon by the Secretary and the States; and

(C) employers or representatives of employers, elected pursuant to a process agreed upon by the Secretary and the States.

(d) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this section, the Governor of a State—

(A) shall designate a single State agency or entity within the State to be responsible for the management of the portions of the system described in subsection (a) that comprise a statewide labor market information system; and

(B) may establish a process for the oversight of such system.

(2) DUTIES.—In order to receive Federal financial assistance under this section, the State agency or entity designated under paragraph (1)(A) shall—

(A) consult with employers and local boards, where appropriate, about the labor market relevance of the data to be collected and disseminated through the statewide labor market information system;

(B) maintain and continuously improve the portions of the system described in subsection (a) that comprise a statewide labor market information system in accordance with this section;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination for such system;

(D) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide labor market information system; and

(E) participate in the development of the annual plan described in subsection (c).

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a State agency or entity to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $65,000,000 for fiscal year 1998 and such sums as may be necessary for each of the fiscal years 1999 through 2002.

Subtitle E—Transition Provisions

SEC. 141. WAIVERS.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce and career development activities to be carried out through the statewide system.

(2) TERM.—Each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(b) STATE REQUEST FOR WAIVER.—

(1) IN GENERAL.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) APPLICATION.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local entity applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived.

(c) LOCAL ENTITY REQUEST FOR WAIVER.—

(1) IN GENERAL.—A local entity that seeks a waiver of 1 or more requirements referred to in subsection (a) shall submit to the State a request for the waiver and an application containing sufficient information to enable the State to comply with the requirements of subsection (b)(2). The State shall determine whether to submit a request and an application for a waiver to the Secretary, as provided in subsection (b).

(2) TIME LIMIT.—

(A) IN GENERAL.—The State shall make a determination concerning whether to submit the request and application for a waiver as described in paragraph (1) not later than 30 days after the date on which the State receives the application from the local entity.

(B) DIRECT SUBMISSION.—

(i) IN GENERAL.—If the State does not make a determination to submit or does not submit the request and application within the 30-day time period specified in subparagraph (A), the local entity may submit the request and application to the Secretary.

(ii) REQUIREMENTS.—In submitting such a request, the local entity shall obtain the agreement of the State involved to comply with the requirements of this section that would otherwise apply to a State submitting a request for a waiver. In reviewing an application submitted under this section by a local entity, the Secretary shall comply with the requirements of this section that would otherwise apply to the Secretary with respect to review of such an application submitted by a State.

(d) WAIVERS NOT AUTHORIZED.—The Secretary may not waive any requirement of any provision referred to in subsection (a), or of any

regulation issued under such provision, relating to—

(1) the allocation of funds to States, local entities, or individuals;

(2) public health or safety, civil rights, occupational safety and health, environmental protection, displacement of employees, or fraud and abuse;

(3) the eligibility of an individual for participation in a covered activity, except in a case in which the State or local entity can demonstrate that the individuals who would have been eligible to participate in such activity without the waiver will participate in a similar covered activity; or

(4) a required supplementation of funds by the State or a prohibition against the State supplanting such funds.

(e) ACTIVITIES.—Subject to subsection (d), the Secretary may approve a request for a waiver described in subsection (a) that would enable a State or local entity to use the assistance that would otherwise have been used to carry out 2 or more covered activities (if the State or local entity were not using the assistance as described in this section)—

(1) to address the high priority needs of unemployed persons and at-risk youth in the appropriate State or community for workforce and career development activities;

(2) to improve efficiencies in the delivery of the covered activities; or

(3) in the case of overlapping or duplicative activities—

(A) by combining the covered activities and funding the combined activities; or

(B) by eliminating 1 of the covered activities and increasing the funding to the remaining covered activity.

(f) APPROVAL OR DISAPPROVAL.—The Secretary shall approve or disapprove any request submitted pursuant to subsection (b) or (c), not later than 60 days after the date of the submission, and shall issue a decision that shall include the reasons for approving or disapproving the request.

(g) FAILURE TO ACT.—If the Secretary fails to approve or disapprove the request within the 60-day period described in subsection (f), the request shall be deemed to be approved on the day after such period ends. If the Secretary subsequently determines that the waiver relates to a matter described in subsection (d) and issues a decision that includes the reasons for the determination, the waiver shall be deemed to terminate on the date of issuance of the decision.

(h) DEFINITIONS.—As used in this section:

(1) LOCAL ENTITY.—The term ''local entity'' means—

(A) a local educational agency responsible for carrying out the covered activity at issue; or

(B) the local public or private agency or organization responsible for carrying out the covered activity at issue.

(2) SECRETARY.—The term ''Secretary'' means—

(A) the Secretary of Labor, with respect to any act relating to a covered activity carried out by the Secretary of Labor;

(B) the Secretary of Education, with respect to any act relating to a covered activity carried out by the Secretary of Education; and

(C) the Secretary of Labor and the Secretary of Education, acting jointly, with respect to a covered activity under the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(3) STATE.—The term ''State'' means—

(A) an eligible agency responsible for carrying out the covered activity at issue; or

(B) the Governor, with respect to any act by another State entity responsible for carrying out the covered activity at issue.

SEC. 142. TECHNICAL ASSISTANCE.

Beginning on the date of the enactment of this Act, the Secretaries shall provide technical assistance to States that request such assistance in—

(1) preparing the State plan required under section 104; or

(2) developing the State benchmarks required under section 106(b).

SEC. 143. APPLICATIONS AND PLANS UNDER COVERED ACTS.

Notwithstanding any other provision of law, no State or local entity shall be required to comply with any provision of law relating to a covered activity that would otherwise require the entity to submit an application or a plan to a Federal agency during fiscal year 1997 for funding of a covered activity. In determining whether to provide funding to the State or local entity for the covered activity, the Secretary of Labor or the Secretary of Education, as appropriate, shall consider the last application or plan, as appropriate, submitted by the entity for funding of the covered activity.

SEC. 144. INTERIM AUTHORIZATIONS OF APPROPRIATIONS.

(a) CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—Section 3(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2302(a)) is amended by striking ''for each of the fiscal years'' and all that follows through ''1995'' and inserting ''for each of fiscal years 1992 through 1998''.

(b) ADULT EDUCATION ACT.—Section 313(a) of the Adult Education Act (20 U.S.C. 1201b(a)) is amended by striking ''for each of the fiscal years'' and all that follows through ''1995'' and inserting ''for each of fiscal years 1993 through 1998''.

Subtitle F—General Provisions

SEC. 151. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title (except sections 134, 138, and 139) such sums as may be necessary for each of fiscal years 1998 through 2002.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a) for a fiscal year—

(1) 90 percent shall be reserved for making allotments under section 102;

(2) $70,000,000 shall be reserved for carrying out section 135;

(3) $90,000,000 shall be reserved for carrying out section 136;

(4) $14,000,000 shall be reserved for carrying out section 137; and

(5) the remainder shall be reserved for carrying out sections 132 and 133.

(c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title or subtitle C of title II shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year for employment and training activities and at-risk youth activities may be expended by each recipient during the program year and the 2 succeeding program years.

SEC. 152. LOCAL EXPENDITURES CONTRARY TO TITLE.

(a) REPAYMENT BY STATE.—Except as provided in sections 107(c)(4) and 126(b)(2)(B), if the Secretaries require a State to repay funds as a result of a determination that an eligible provider of employment and training activities or at-risk youth activities in a local workforce development area of the State has expended funds made available under this title in a manner contrary to the objectives of this title, and such expenditure does not constitute fraud, embezzlement, or other criminal activity, the Governor of the State may use an amount deducted under subsection (b) to repay the funds.

(b) DEDUCTION BY STATE.—The Governor may deduct an amount equal to the expenditure described in subsection (a) from a subsequent program year allocation to the local workforce development area from funds available for local administration for employment and training activities or at-risk youth activities, as appropriate.

SEC. 153. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in section 134 and subsection (b), this title shall take effect on July 1, 1998.

(b) ADMINISTRATION AND NATIONAL INSTITUTE FOR LITERACY.—Sections 131 and 138, subtitle E, section 151, and this section shall take effect on the date of enactment of this Act.

TITLE II—WORKFORCE AND CAREER DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Wagner-Peyser Act

SEC. 201. DEFINITIONS.

Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a) is amended—

(1) in paragraph (1), by striking ''Job Training Partnership Act'' and inserting ''Workforce and Career Development Act of 1996'';

(2) by striking paragraphs (2) and (4);

(3) by redesignating paragraphs (3) and (5) as paragraphs (6) and (7), respectively;

(4) by inserting after paragraph (1) the following:

''(2) the term 'local workforce development area' has the meaning given such term in section 4 of the Workforce and Career Development Act of 1996;

''(3) the term 'local workforce development board' means a local workforce development board established under section 108 of the Workforce and Career Development Act of 1996;

''(4) the term 'one-stop career center system' means a one-stop career center system established under section 121(d) of the Workforce and Career Development Act of 1996;

''(5) the term 'public employment office' means an office that provides employment services to the general public and is part of a one-stop career center system;''; and

(5) in paragraph (6) (as redesignated in paragraph (3)), by striking the semicolon and inserting ''; and''.

SEC. 202. FUNCTIONS.

(a) IN GENERAL.—Section 3(a) of the Wagner-Peyser Act (29 U.S.C. 49b(a)) is amended to read as follows:

''(a) The Secretary of Labor shall—

''(1) assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided as part of the one-stop career center systems of the States;

''(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

''(3) ensure, for individuals otherwise eligible to receive unemployment compensation, the continuation of any activities in which the individuals are required to participate to receive the compensation.''.

(b) CONFORMING AMENDMENTS.—Section 508(b) of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a(b)) is amended—

(1) by striking ''the third sentence of section 3(a)'' and inserting ''section 3(b)''; and

(2) by striking ''49b(a)'' and inserting ''49b(b))''.

SEC. 203. DESIGNATION OF STATE AGENCIES.

Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c) is amended—

(1) by striking ''a State shall, through its legislature,'' and inserting ''a Governor, in consultation with the State legislature, shall''; and

(2) by striking ''United States Employment Service'' and inserting ''Secretary''.

SEC. 204. APPROPRIATIONS.

Section 5(c) of the Wagner-Peyser Act (29 U.S.C. 49d(c)) is amended by striking paragraph (3).

SEC. 205. DISPOSITION OF ALLOTTED FUNDS.

Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f) is amended—

(1) in subsection (b)(2), by striking ''private industry council'' and inserting ''local workforce development board'';

(2) in subsection (c)(2), by striking ''any program under'' and all that follows and inserting ''any workforce and career development activity carried out under the Workforce and Career Development Act of 1996.'';

(3) in subsection (d)—

(A) by striking ''United States Employment Service'' and inserting ''Secretary''; and

(B) by striking ''Job Training Partnership Act'' and inserting ''Workforce and Career Development Act of 1996''; and

(4) by adding at the end the following:

''(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsection (a) shall be provided as part of the one-stop career center system established by the State.''.

SEC. 206. STATE PLANS.

Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g) is amended—

(1) in subsection (a) to read as follows:

''(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State plan submitted under section 104 of the Workforce and Career Development Act of 1996, detailed plans for carrying out the provisions of this Act within such State.'';

(2) by striking subsections (b), (c), and (e); and

(3) by redesignating subsection (d) as subsection (b).

SEC. 207. REPEAL OF FEDERAL ADVISORY COUNCIL.

Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j) is hereby repealed.

SEC. 208. REGULATIONS.

Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k) is amended by striking ''The Director, with the approval of the Secretary of Labor,'' and inserting ''The Secretary''.

SEC. 209. EFFECTIVE DATE.

The amendments made by this subtitle shall take effect on July 1, 1998.

Subtitle B—Amendments to the Rehabilitation Act of 1973

SEC. 211. REFERENCES.

Except as otherwise expressly provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

SEC. 212. FINDINGS AND PURPOSES.

Section 2 (29 U.S.C. 701) is amended—

(1) in subsection (a)(4), by striking ''the provision of individualized training, independent living services, educational and support services,'' and inserting ''implementation of a statewide system that provides meaningful and effective participation for individuals with disabilities in workforce and career development activities and activities carried out through the vocational rehabilitation program established under title I, and through the provision of independent living services, support services,''; and

(2) in subsection (b)(1)(A)—

(A) by striking ''and coordinated''; and

(B) by inserting ''that are coordinated with statewide systems'' after ''vocational rehabilitation''.

SEC. 213. DEFINITIONS.

Section 7 (29 U.S.C. 706) is amended by adding at the end the following new paragraphs:

''(36) The term 'statewide system' means a statewide system, as defined in section 4 of the Workforce and Career Development Act of 1996.

''(37) The term 'workforce and career development activities' has the meaning given such term in section 4 of the Workforce and Career Development Act of 1996.''.

SEC. 214. ADMINISTRATION.

Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by inserting '', including providing assistance to achieve the meaningful and effective participation by individuals with disabilities in the activities carried out through a statewide system'' before the semicolon.

SEC. 215. REPORTS.

Section 13 (29 U.S.C. 712) is amended in the fourth sentence by striking ''The data elements'' and all that follows through ''age,'' and inserting the following: ''The information shall include all information that is required to be submitted in the report described in section 106(c) of the Workforce and Career Development Act of 1996 and that pertains to the employment of individuals with disabilities, including information on age,''.

SEC. 216. EVALUATION.

Section 14(a) (29 U.S.C. 713(a)) is amended in the third sentence by striking ''to the extent feasible,'' and all that follows through the end of the sentence and inserting the following: ''to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 106(b) of the Workforce and Career Development Act of 1996. For purposes of this section, the Secretary may modify or supplement such benchmarks to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program established under title I and activities carried out under other provisions of this Act.''.

SEC. 217. DECLARATION OF POLICY.

Section 100(a) (29 U.S.C. 720(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by striking ''; and'' and inserting a semicolon;

(B) in subparagraph (F)—

(i) by inserting ''workforce and career development activities and'' before ''vocational rehabilitation services''; and

(ii) by striking the period and inserting ''; and''; and

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

''(G) linkages between the vocational rehabilitation program established under this title and other components of the statewide system are critical to ensure effective and meaningful participation by individuals with disabilities in workforce and career development activities.''; and

(2) in paragraph (2)—

(A) by striking ''a comprehensive'' and inserting ''statewide comprehensive''; and

(B) by striking ''program of vocational rehabilitation that is designed'' and inserting ''programs of vocational rehabilitation, each of which is—

''(A) coordinated with a statewide system; and

''(B) designed''.

SEC. 218. STATE PLANS.

(a) IN GENERAL.—Section 101(a) (29 U.S.C. 721(a)) is amended—

(1) in the first sentence, by striking '', or shall submit'' and all that follows through ''et seq.)'' and inserting '', and shall submit the State plan on the same dates as the State submits the State plan described in section 104 of the Workforce and Career Development Act of 1996 to the Secretaries (as defined in section 4 of such Act)'';

(2) by inserting after the first sentence the following: ''The State designated unit shall also submit the State plan for vocational rehabilitation services for review and comment to the individuals and entities participating in the collaborative process described in subsection (a) or (b) of section 105 of the Workforce and Career Development Act of 1996 and such individuals and entities shall submit comments on the State plan to the State designated unit.'';

(3) in paragraph (15)—

(A) by striking '', including—'' and all that follows through ''(C) review of'' and inserting '', including review of'';

(B) by striking ''paragraph (9)(C)'' and inserting ''paragraph (9)(D)'';

(C) by striking ''most severe disabilities; and'' and inserting ''most severe disabilities;''; and

(D) by striking subparagraph (D);

(4) by striking paragraphs (10), (27), (28), and (30);

(5) in paragraph (19)—

(A) by striking ''(19)'' and inserting ''(19)(A)''; and

(B) by inserting ''and'' after the semicolon;

(6) in paragraph (20), by striking ''(20)'' and inserting ''(B)'';

(7) by redesignating—

(A) paragraphs (11) through (18) as paragraphs (10) through (17), respectively;

(B) paragraph (19) (as amended by paragraphs (5) and (6)) as paragraph (18);

(C) paragraphs (21) through (26) as paragraphs (19) through (24), respectively;

(D) paragraph (29) as paragraph (25); and

(E) paragraphs (31) through (36) as paragraphs (26) through (31), respectively;

(8) in paragraph (5)—

(A) by striking subparagraph (A) and inserting the following:

''(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in the administration and supervision of the plan, including—

''(i)(I) the results of a comprehensive, statewide assessment of the rehabilitation needs of individuals with disabilities (including individuals with severe disabilities, individuals with disabilities who are minorities, and individuals with disabilities who have been unserved, or underserved, by the vocational rehabilitation system) who are residing within the State; and

''(II) the response of the State to the assessment;

''(ii) a description of the method to be used to expand and improve services to individuals with the most severe disabilities, including individuals served under part C of title VI;

''(iii) with regard to community rehabilitation programs—

''(I) a description of the method to be used (such as a cooperative agreement) to utilize the programs to the maximum extent feasible; and

''(II) a description of the needs of and utilization of the programs, including the community rehabilitation programs funded under the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) and such programs funded by State use contracting programs; and

''(iv) an explanation of the methods by which the State will provide vocational rehabilitation services to all individuals with disabilities within the State who are eligible for such services, and, in the event that vocational rehabilitation services cannot be provided to all such eligible individuals with disabilities who apply for such services, information showing and providing the justification for the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided (which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first the individuals with the most severe disabilities in accordance with criteria established by the State, and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving individuals with disabilities, established in regulations prescribed by the Commissioner);'';

(B) in subparagraph (B), by striking ''; and'' and inserting a semicolon; and

(C) by striking subparagraph (C) and inserting the following subparagraphs:

''(C) with regard to the statewide assessment of rehabilitation needs described in subparagraph (A)(i)—

''(i) provide that the State agency will make reports at such time, in such manner, and containing such information, as the Commissioner may require to carry out the functions of the Commissioner under this title, and comply with such provisions as are necessary to assure the correctness and verification of such reports; and

''(ii) provide that reports made under clause (i) will include information regarding individuals with disabilities and, if an order of selection described in subparagraph (A)(iv) is in effect in the State, will separately include information regarding individuals with the most severe disabilities, on—

''(I) the number of such individuals who are evaluated and the number rehabilitated;

''(II) the costs of administration, counseling, provision of direct services, development of community rehabilitation programs, and other functions carried out under this Act; and

''(III) the utilization by such individuals of other programs pursuant to paragraph (10); and

''(D) describe—

''(i) how a broad range of rehabilitation technology services will be provided at each stage of the rehabilitation process;

''(ii) how a broad range of such rehabilitation technology services will be provided on a statewide basis; and

''(iii) the training that may be provided to vocational rehabilitation counselors, client assistance personnel, personnel of the eligible providers of core services described in subsection (e)(2) of section 121 of the Workforce and Career Development Act of 1996 through one-stop career centers described in subsection (d) of such section, and other related services personnel;'';

(9) in subparagraph (A)(i)(II) of paragraph (7), by striking '', based on projections'' and all that follows through ''relevant factors'';

(10) in paragraph (9)—

(A) in subparagraph (B), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(B) in subparagraph (C), by striking ''plan in accordance with such program'' and inserting ''State plan in accordance with the employment plan'';

(11) in paragraph (10) (as redesignated in paragraph (7))—

(A) in subparagraph (A), by striking ''State's public'' and all that follows and inserting ''Federal, State, and local programs that are not part of the statewide system of the State;''; and

(B) in subparagraph (C)—

(i) by striking ''if appropriate—'' and all that follows through ''entering into'' and inserting ''if appropriate, entering into'';

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively; and

(iii) by indenting the clauses and aligning the margins of the clauses with the margins of clause (ii) of subparagraph (A) of paragraph (7);

(12) in paragraph (20) (as redesignated in paragraph (7)), by striking ''referrals to other Federal and State programs'' and inserting ''referrals within the statewide system of the State to programs''; and

(13) in paragraph (22) (as redesignated in paragraph (7))—

(A) in subparagraph (B), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(B) in subparagraph (C)—

(i) in clause (ii), by striking ''; and'' and inserting a semicolon;

(ii) in clause (iii), by striking the semicolon and inserting ''; and''; and

(iii) by adding at the end the following clause:

''(iv) the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;''.

(b) CONFORMING AMENDMENTS.—

(1) Section 7(22)(A)(i)(II) (29 U.S.C. 706(22)(A)(i)(II)) is amended by striking ''101(a)(5)(A)'' each place it appears and inserting ''101(a)(5)(A)(iv)''.

(2) Section 12(d) (29 U.S.C. 711(d)) is amended by striking ''101(a)(5)(A)'' and inserting ''101(a)(5)(A)(iv)''.

(3) Section 101(a) (29 U.S.C. 721(a)) is amended—

(A) in paragraph (18)(A) (as redesignated in subsection (a)(7)), by striking ''paragraph (15)'' and inserting ''paragraph (14)'';

(B) in paragraph (22) (as redesignated in subsection (a)(7)), by striking ''paragraph (11)(C)(ii)'' and inserting ''paragraph (10)(C)'';

(C) in paragraph (27) (as redesignated in subsection (a)(7)), by striking ''paragraph (36)'' and inserting ''paragraph (31)''; and

(D) in subparagraph (C) of paragraph (31) (as redesignated in subsection (a)(7)), by striking ''101(a)(1)(A)(i)'' and inserting ''paragraph (1)(A)(i)''.

(4) Section 102 (29 U.S.C. 722) is amended—

(A) in subsection (a)(3), by striking ''101(a)(24)'' and inserting ''101(a)(22)''; and

(B) in subsection (d)(2)(C)(ii)—

(i) in subclause (II), by striking ''101(a)(36)'' and inserting ''101(a)(31)''; and

(ii) in subclause (III), by striking ''101(a)(36)(C)(ii)'' and inserting ''101(a)(31)(C)(ii)''.

(5) Section 103(a)(13) (29 U.S.C. 723(a)(13)) is amended by striking ''101(a)(11)'' and inserting ''101(a)(10)''.

(6) Section 105(a)(1) (29 U.S.C. 725(a)(1)) is amended by striking ''101(a)(36)'' and inserting ''101(a)(31)''.

(7) Section 107(a) (29 U.S.C. 727(a)) is amended—

(A) in paragraph (2)(F), by striking ''101(a)(32)'' and inserting ''101(a)(27)''; and

(B) in paragraph (4)(C), by striking ''101(a)(35)'' and inserting ''101(a)(30)''.

(8) Section 111(a) (29 U.S.C. 731(a)) is amended—

(A) in paragraph (1)—

(i) by striking ''101(a)(34)(A)'' and inserting ''101(a)(29)(A)''; and

(ii) by striking ''101(a)(34)(B)'' and inserting ''101(a)(29)(B)''; and

(B) in paragraph (2)(A), by striking ''101(a)(17)'' and inserting ''101(a)(16)''.

(9) Section 124(a)(1)(A) (29 U.S.C. 744(a)(1)(A)) is amended by striking ''101(a)(34)(B)'' and inserting ''101(a)(29)(B)''.

(10) Section 315(b)(2) (29 U.S.C. 777e(b)(2)) is amended by striking ''101(a)(22)'' and inserting ''101(a)(20)''.

(11) Section 102(e)(23)(A) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2212(e)(23)(A)) is amended by striking ''section 101(a)(36) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(36))'' and inserting ''section 101(a)(31) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(31))''.

SEC. 219. INDIVIDUALIZED EMPLOYMENT PLANS.

(a) IN GENERAL.—Section 102 (29 U.S.C. 722) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 102. INDIVIDUALIZED EMPLOYMENT PLANS.'';

(2) in subsection (a)(6), by striking ''written rehabilitation program'' and inserting ''employment plan'';

(3) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in clause (i), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(ii) in clause (ii), by striking ''program'' and inserting ''plan'';

(B) in paragraph (1)(B)—

(i) in the matter preceding clause (i), by striking ''written rehabilitation program'' and inserting ''employment plan'';

(ii) in clause (iv)—

(I) by striking subclause (I) and inserting the following:

''(I) include a statement of the specific vocational rehabilitation services to be provided (including, if appropriate, rehabilitation technology services and training in how to use such services) that includes specification of the public or private entity that will provide each such vocational rehabilitation service and the projected dates for the initiation and the anticipated duration of each such service; and'';

(II) by striking subclause (II); and

(III) by redesignating subclause (III) as subclause (II); and

(iii) in clause (xi)(I), by striking ''program'' and inserting ''plan'';

(C) in paragraph (1)(C), by striking ''written rehabilitation program and amendments to the program'' and inserting ''employment plan and amendments to the plan''; and

(D) in paragraph (2)—

(i) by striking ''program'' each place the term appears and inserting ''plan''; and

(ii) by striking ''written rehabilitation'' each place the term appears and inserting ''employment'';

(4) in subsection (c)—

(A) in paragraph (1), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(B) by striking ''written program'' each place the term appears and inserting ''plan''; and

(5) in subsection (d)—

(A) in paragraph (5), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(B) in paragraph (6)(A), by striking the second sentence.

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for the Act is amended by striking the item relating to section 102 and inserting the following:

''Sec. 102. Individualized employment plans.''.

(2) Paragraphs (22)(B) and (27)(B), and subparagraphs (B) and (C) of paragraph (34) of section 7 (29 U.S.C. 706), section 12(e)(1) (29 U.S.C. 711(e)(1)), section 501(e) (29 U.S.C. 791(e)), subparagraphs (C), (D), and (E) of section 635(b)(6) (29 U.S.C. 795n(b)(6) (C), (D), and (E)), section 802(g)(8)(B) (29 U.S.C. 797a(g)(8)(B)), and section 803(c)(2)(D) (29 U.S.C. 797b(c)(2)(D)) are amended by striking ''written rehabilitation program'' each place the term appears and inserting ''employment plan''.

(3) Section 7(22)(B)(i) (29 U.S.C. 706(22)(B)(i)) is amended by striking ''rehabilitation program'' and inserting ''employment plan''.

(4) Section 107(a)(3)(D) (29 U.S.C. 727(a)(3)(D)) is amended by striking ''written rehabilitation programs'' and inserting ''employment plans''.

(5) Section 101(b)(7)(A)(ii)(II) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2211(b)(7)(A)(ii)(II)) is amended by striking ''written rehabilitation program'' and inserting ''employment plan''.

SEC. 220. STATE REHABILITATION ADVISORY COUNCIL.

(a) IN GENERAL.—Section 105 (29 U.S.C. 725) is amended—

(1) in subsection (b)(1)(A)(vi), by inserting before the semicolon the following: ''who, to the extent feasible, are individuals involved in the collaborative process described in section 105 of the Workforce and Career Development Act of 1996''; and

(2) in subsection (c)—

(A) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(B) by inserting after paragraph (2) the following new paragraph:

''(3) advise the designated State agency and the designated State unit regarding strategies for ensuring that the vocational rehabilitation program established under this title is coordinated with the statewide system of the State;''; and

(C) in paragraph (6) (as redesignated in subparagraph (A))—

(i) by striking ''6024), and'' and inserting ''6024),''; and

(ii) by striking the semicolon at the end and inserting the following: '', and the individuals

and entities involved in the collaborative process described in section 105 of the Workforce and Career Development Act of 1996;''.

(b) CONFORMING AMENDMENT.—Subparagraph (B)(iv), and clauses (ii)(I) and (iii)(I) of subparagraph (C), of paragraph (31) (as redesignated in section 218(a)(7)) of section 101(a) (29 U.S.C. 721(a)) are amended by striking ''105(c)(3)'' and inserting ''105(c)(4)''.

SEC. 221. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a)(1) (29 U.S.C. 726(a)(1)) is amended—

(1) by striking ''(1) IN GENERAL.—The Commissioner shall'' and inserting the following:

''(1) EVALUATION STANDARDS AND PERFORMANCE INDICATORS.—

''(A) IN GENERAL.—The Commissioner shall''; and

(2) by adding at the end the following:

''(B) MODIFICATION OR SUPPLEMENTATION.—

''(i) IN GENERAL.—The Commissioner shall modify or supplement such standards and indicators to ensure that, to the maximum extent appropriate, such standards and indicators are consistent with the State benchmarks established under paragraphs (1) and (2) of section 106(b) of the Workforce and Career Development Act of 1996.

''(ii) ADDITIONAL PROVISIONS.—The Commissioner—

''(I) shall, in modifying or supplementing such standards and indicators, comply with the requirements under the timetable for establishing such benchmarks under the Workforce and Career Development Act of 1996; and

''(II) may modify or supplement such standards and indicators, to the extent necessary, to address unique considerations applicable to individuals with disabilities in the vocational rehabilitation program.''.

SEC. 222. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) STATEWIDE SYSTEM REQUIREMENTS.—The changes made in the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) by the amendments made by this subtitle that relate to State benchmarks, or other components of a statewide system, shall take effect on July 1, 1998.

Subtitle C—Job Corps

SEC. 231. DEFINITIONS.

As used in this subtitle:

(1) ENROLLEE.—The term ''enrollee'' means an individual enrolled in the Job Corps.

(2) GOVERNOR.—The term ''Governor'' means the chief executive officer of a State.

(3) JOB CORPS.—The term ''Job Corps'' means the Job Corps described in section 233.

(4) JOB CORPS CENTER.—The term ''Job Corps center'' means a center described in section 233.

(5) OPERATOR.—The term ''operator'' means an entity selected under this subtitle to operate a Job Corps center.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

SEC. 232. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of workforce and career development activities; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 233. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out, in conjunction with the activities carried out under section 247, activities described in this subtitle for individuals enrolled in the Job Corps and assigned to a center.

SEC. 234. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be—

(1) not less than age 15 and not more than age 24;

(2) an individual who—

(A) receives, or is a member of a family that receives, cash welfare payments under a Federal, State, or local welfare program;

(B) had received an income, or is a member of a family that had received a total family income, for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and payments described in subparagraph (A)) that, in relation to family size, does not exceed the higher of—

(i) the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for an equivalent period; or

(ii) 70 percent of the lower living standard income level, for an equivalent period;

(C) is a member of a household that receives (or has been determined within the 6-month period prior to application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(D) qualifies as a homeless individual, as defined in subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302);

(E) is a foster child on behalf of whom State or local government payments are made; or

(F) in cases permitted by regulations of the Secretary, is an individual with a disability whose own income meets the requirements of a program described in subparagraph (A) or of subparagraph (B), but who is a member of a family whose income does not meet such requirements; and

(3) an individual who is 1 or more of the following:

(A) Basic skills deficient.

(B) A school dropout.

(C) Homeless or a runaway.

(D) Pregnant or a parent.

(E) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

SEC. 235. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps, after considering recommendations from the Governors, local boards, and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1) for the screening and selection of Job Corps applicants, the Secretary shall—

(A) require enrollees to take drug tests within 30 days of enrollment in the Job Corps;

(B) allocate, where necessary, additional resources to increase the applicant pool;

(C) establish standards for outreach to and screening of Job Corps applicants;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting such screening;

(E) require Job Corps applicants to pass background checks, conducted in accordance with procedures established by the Secretary; and

(F) assure that an appropriate number of enrollees are from rural areas.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) eligible providers of core services described in section 121(e)(2) through one-stop career centers described in section 121(d);

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

SEC. 236. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—After the Secretary has determined that an enrollee is to be assigned to a Job Corps center, the enrollee shall be assigned to the center that is closest to the residence of the enrollee, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for individuals described in section 234 from various sections of the United States to participate in the Job Corps program, to prevent undue delays in assignment of an enrollee, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

(c) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 238(d) would require an individual to participate for more than 2 years; or

(2) as the Secretary may authorize in a special case.

SEC. 237. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the operation of each Job Corps center. The Secretary shall enter into an agreement with an appropriate entity to provide services for a Job Corps center.

(2) SELECTION PROCESS.—Except as provided in subsections (c) and (d), the Secretary shall select an entity to operate a Job Corps center on a competitive basis, after reviewing the operating plans described in section 240. In selecting a private or public entity to serve as an operator for a Job Corps Center, the Secretary shall, at

the request of the Governor of the State in which the center is located, convene and obtain the recommendation of a selection panel described in section 242(b). In selecting an entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 238. In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers operated under agreements with the Secretary of Agriculture or the Secretary of the Interior, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a), if the center fails to meet such national performance standards as the Secretary shall establish.

(d) INDIAN TRIBES.—

(1) GENERAL AUTHORITY.—The Secretary may enter into agreements with Indian tribes to operate Job Corps centers for Indians.

(2) DEFINITIONS.—As used in this subsection, the terms ''Indian'' and ''Indian tribe'', have the meanings given such terms in subsections (d) and (e), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

SEC. 238. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to core services described in section 121(e)(2), and such other employment and training activities and at-risk youth activities as may be appropriate to meet the needs of the enrollees. Each Job Corps center shall provide the enrollees with such activities described in sections 121 and 122 as may be appropriate to meet the needs of the enrollees. The activities provided under this subsection shall provide work-based learning throughout the enrollment of the enrollees and assist the enrollees in obtaining meaningful unsubsidized employment, participating successfully in secondary education or postsecondary education programs, enrolling in other suitable training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(b) ARRANGEMENTS.—The Secretary shall arrange for enrollees assigned to Job Corps centers to receive employment and training activities and at-risk youth activities through or in coordination with the statewide system, including employment and training activities and at-risk youth activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) FISCAL AND MANAGEMENT ACCOUNTABILITY INFORMATION SYSTEM.—The Secretary shall establish a fiscal and management accountability information system for Job Corps centers, and coordinate the activities carried out through the system with activities carried out through the fiscal and management accountability information systems for States described in section 106(e), if such systems are established.

(d) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—The advanced career training may be provided through a postsecondary educational institution for an enrollee who has obtained a secondary school diploma or its recognized equivalent, has demonstrated commitment and capacity in previous Job Corps participation, and has an identified occupational goal.

(3) COMPANY-SPONSORED TRAINING PROGRAMS.—The Secretary may enter into contracts with appropriate entities to provide the advanced career training through intensive training in company-sponsored training programs, combined with internships in work settings.

(4) BENEFITS.—

(A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full Job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training.

(5) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

SEC. 239. SUPPORT.

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances, including readjustment allowances, as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 240. OPERATING PLAN.

(a) IN GENERAL.—To be eligible to operate a Job Corps center, an entity shall prepare and submit an operating plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor on the plan to the Secretary with the plan. Such plan shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan submitted under section 104 for the State in which the center is located;

(2) the extent to which the activities described in section 238 and delivered through the Job Corps center are directly linked to the workforce and career development needs of the region in which the center is located;

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 121(e)(2); and

(4) an implementation strategy to ensure that the curricula of all such enrollees is integrated into activities described in section 238(a), including work-based learning, work experience, and career-building activities, and that such enrollees have the opportunity to obtain secondary school diplomas or their recognized equivalent.

(b) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the statewide system of the State in which the center is located.

SEC. 241. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps centers shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.—

(1) IN GENERAL.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Job Corps if the director determines that the retention of the enrollee in the Job Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(2) ZERO TOLERANCE POLICY.—

(A) GUIDELINES.—The Secretary shall adopt guidelines establishing a zero tolerance policy for an act of violence, for use, sale, or possession of a controlled substance, for abuse of alcohol, or for other illegal or disruptive activity.

(B) DEFINITIONS.—As used in this paragraph:

(i) CONTROLLED SUBSTANCE.—The term ''controlled substance'' has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(ii) ZERO TOLERANCE POLICY.—The term ''zero tolerance policy'' means a policy under which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that the enrollee has carried out an action described in subparagraph (A).

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the Secretary.

SEC. 242. COMMUNITY PARTICIPATION.

(a) ACTIVITIES.—The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities shall include the use of local boards established in the State to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

(b) SELECTION PANELS.—The Governor may recommend individuals to serve on a selection panel convened by the Secretary to provide recommendations to the Secretary regarding any competitive selection of an operator for a center in the State. The panel shall have not more than 7 members. In recommending individuals to serve on the panel, the Governor may recommend members of local boards established in the State, or other representatives selected by the Governor. The Secretary shall select at least 1 individual recommended by the Governor.

(c) ACTIVITIES.—Each Job Corps center director shall—

(1) give officials of nearby communities appropriate advance notice of changes in the rules, procedures, or activities of the Job Corps center that may affect or be of interest to the communities;

(2) afford the communities a meaningful voice in the affairs of the Job Corps center that are of direct concern to the communities, including policies governing the issuance and terms of passes to enrollees; and

(3) encourage the participation of enrollees in programs for improvement of the communities, with appropriate advance consultation with business, labor, professional, and other interested groups, in the communities.

SEC. 243. COUNSELING AND PLACEMENT.

The Secretary shall ensure that enrollees assigned to Job Corps centers receive academic and vocational counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 121(e)(2).

SEC. 244. ADVISORY COMMITTEES.

The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

SEC. 245. APPLICATION OF PROVISIONS OF FEDERAL LAW.

(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees shall not be considered to be Federal employees and shall not be subject to the provisions of law relating to Federal employment, including such provisions regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) PROVISIONS RELATING TO TAXES AND SOCIAL SECURITY BENEFITS.—For purposes of the Internal Revenue Code of 1986 and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed to be employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term ''employee'' as defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

(4) FEDERAL TORT CLAIMS PROVISIONS.—For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered to be employees of the Government.

(b) ADJUSTMENTS AND SETTLEMENTS.—Whenever the Secretary finds a claim for damages to a person or property resulting from the operation of the Job Corps to be a proper charge against the United States, and the claim is not cognizable under section 2672 of title 28, United States Code, the Secretary may adjust and settle the claim in an amount not exceeding $1,500.

(c) PERSONNEL OF THE UNIFORMED SERVICES.—Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Job Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SEC. 246. SPECIAL PROVISIONS.

(a) ENROLLMENT OF WOMEN.—The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps program, consistent with the need—

(1) to promote efficiency and economy in the operation of the program;

(2) to promote sound administrative practice; and

(3) to meet the socioeconomic, educational, and training needs of the population to be served by the program.

(b) STUDIES, EVALUATIONS, PROPOSALS, AND DATA.—The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of carrying out the Job Corps program shall become the property of the United States.

(c) GROSS RECEIPTS.—Transactions conducted by a private for-profit contractor or a nonprofit contractor in connection with the operation by the contractor of a Job Corps center or the provision of services by the contractor for a Job Corps center shall not be considered to be generating gross receipts. Such a contractor shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such contractor for operating or providing services for a Job Corps center. Such a contractor shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such contractor of any property, service, or other item in connection with the operation of or provision of services for a Job Corps center.

(d) MANAGEMENT FEE.—The Secretary shall provide each operator or entity providing services for a Job Corps center with an equitable and negotiated management fee of not less than 1 percent of the contract amount.

(e) DONATIONS.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including equipment and materials, if such donations are available for appropriate use for the purposes set forth in this subtitle.

SEC. 247. REVIEW OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS REVIEW PANEL.—

(1) ESTABLISHMENT.—The Secretary shall establish a National Job Corps Review Panel (hereafter referred to in this section as the ''Panel'').

(2) MEMBERSHIP.—The Panel shall be composed of nine individuals selected by the Secretary, of which—

(A) three individuals shall be members of the national office of the Job Corps;

(B) three individuals shall be representatives from the private sector who have expertise and a demonstrated record of success in understanding, analyzing, and motivating at-risk youth; and

(C) three individuals shall be members of the Office of the Inspector General of the Department of Labor.

(3) DUTIES.—The Panel shall conduct a review of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and, not later than July 31, 1997, the Panel shall submit to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report containing the results of the review, including—

(A) information on the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(B) for each Job Corps center funded under such part, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(C) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(D) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses;

(E) information on the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report;

(F) a summary of the information described in subparagraphs (B) through (E) for all Job Corps centers;

(G) an assessment of the need to serve individuals described in section 234 in the Job Corps program, including—

(i) a cost-benefit analysis of the residential component of the Job Corps program;

(ii) the need for residential education and training services for individuals described in section 234, analyzed for each State and for the United States; and

(iii) the distribution of training positions in the Job Corps program, as compared to the need for the services described in clause (ii), analyzed for each State;

(H) an overview of the Job Corps program as a whole and an analysis of individual Job Corps centers, including a 5-year performance measurement summary that includes information, analyzed for the program and for each Job Corps center, on—

(i) the number of enrollees served;

(ii) the number of former enrollees who entered employment, including the number of former enrollees placed in a position related to the job training received through the program and the number placed in a position not related to the job training received;

(iii) the number of former enrollees placed in jobs for 32 hours per week or more;

(iv) the number of former enrollees who entered employment and were retained in the employment for more than 13 weeks;

(v) the number of former enrollees who entered the Armed Forces;

(vi) the number of former enrollees who completed vocational training, and the rate of such completion, analyzed by vocation;

(vii) the number of former enrollees who entered postsecondary education;

(viii) the number and percentage of early dropouts from the Job Corps program;

(ix) the average wage of former enrollees, including wages from positions described in clause (ii);

(x) the number of former enrollees who obtained a secondary school diploma or its recognized equivalent;

(xi) the average level of learning gains for former enrollees; and

(xii) the number of former enrollees that did not—

(I) enter employment or postsecondary education;

(II) complete a vocational education program; or

(III) make identifiable learning gains;

(I) information regarding the performance of all existing Job Corps centers over the 3 years preceding the date of submission of the report; and

(J) job placement rates for each Job Corps center and each entity providing services to a Job Corps center.

(b) RECOMMENDATIONS OF PANEL.—

(1) RECOMMENDATIONS.—The Panel shall, based on the results of the review described in subsection (a), make recommendations to the Secretary, regarding improvements in the operation of the Job Corps program, including—

(A) closing 5 Job Corps centers by September 30, 1997, and 5 additional Job Corps centers by September 30, 2000;

(B) relocating Job Corps centers described in paragraph (2)(A)(iii) in cases in which facility rehabilitation, renovation, or repair is not cost-effective; and

(C) taking any other action that would improve the operation of a Job Corps center or any other appropriate action.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary close a Job Corps

center, the Panel shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the review described in subsection (a)(3)(E);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in subparagraph (B), (C), or (D) of subsection (a)(3), as reflected in the review described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the Panel may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the Panel shall not recommend that the Secretary close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the Panel shall not evaluate the center under this section sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than August 30, 1997, the Panel shall submit to the Secretary a report that contains—

(A) the results of the review conducted under subsection (a) (as contained in the report submitted under such subsection); and

(B) the recommendations described in paragraph (1).

(c) IMPLEMENTATION OF PERFORMANCE IMPROVEMENTS.—The Secretary shall, after reviewing the report submitted under subsection (b)(3), implement improvements in the operation of the Job Corps program, including closing 10 individual Job Corps centers pursuant to subsection (b). In implementing such improvements, the Secretary may close such additional Job Corps centers as the Secretary determines to be appropriate. Funds saved through the implementation of such improvements shall be used to maintain overall Job Corps program service levels, improve facilities at existing Job Corps centers, relocate Job Corps centers, initiate new Job Corps centers with a priority on placing Job Corps centers in States without existing Job Corps centers, and make other performance improvements in the Job Corps program.

(d) REPORT TO CONGRESS.—The Secretary shall annually report to Congress the information specified in subparagraphs (H), (I), and (J) of subsection (a)(3) and such additional information relating to the Job Corps program as the Secretary may determine to be appropriate.

SEC. 248. ADMINISTRATION.

The Secretary shall carry out the responsibilities specified for the Secretary in this subtitle, notwithstanding any other provision of this Act.

SEC. 249. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out this subtitle.

SEC. 250. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle shall take effect on July 1, 1998.

(b) REPORT.—Section 247 shall take effect on the date of enactment of this Act.

Subtitle D—Amendments to the National Literacy Act of 1991

SEC. 261. EXTENSION OF FUNCTIONAL LITERACY AND LIFE SKILLS PROGRAM FOR STATE AND LOCAL PRISONERS.

Paragraph (3) of section 601(i) of the National Literacy Act of 1991 (20 U.S.C. 1211–2(i)) is amended—

(1) by striking ''1994, and'' and inserting ''1994,''; and

(2) by inserting '', and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, 2000, 2001, and 2002'' before the period.

TITLE III—MUSEUMS AND LIBRARIES

SEC. 301. MUSEUM AND LIBRARY SERVICES.

The Museum Services Act (20 U.S.C. 961 et seq.) is amended to read as follows:

''TITLE II—MUSEUM AND LIBRARY SERVICES

''Subtitle A—General Provisions

''SEC. 201. SHORT TITLE.

''This title may be cited as the 'Museum and Library Services Act'.

''SEC. 202. GENERAL DEFINITIONS.

''As used in this title:

''(1) COMMISSION.—The term 'Commission' means the National Commission on Libraries and Information Science established under section 3 of the National Commission on Libraries and Information Sciences Act (20 U.S.C. 1502).

''(2) DIRECTOR.—The term 'Director' means the Director of the Institute appointed under section 204.

''(3) INSTITUTE.—The term 'Institute' means the Institute of Museum and Library Services established under section 203.

''(4) MUSEUM BOARD.—The term 'Museum Board' means the National Museum Services Board established under section 275.

''SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.

''(a) ESTABLISHMENT.—There is established, within the National Foundation on the Arts and the Humanities, an Institute of Museum and Library Services.

''(b) OFFICES.—The Institute shall consist of an Office of Museum Services and an Office of Library Services. There shall be a National Museum Services Board in the Office of Museum Services.

''SEC. 204. DIRECTOR OF THE INSTITUTE.

''(a) APPOINTMENT.—

''(1) IN GENERAL.—The Institute shall be headed by a Director, appointed by the President, by and with the advice and consent of the Senate.

''(2) TERM.—The Director shall serve for a term of 4 years.

''(3) QUALIFICATIONS.—Beginning with the first individual appointed to the position of Director after the date of enactment of the Workforce and Career Development Act of 1996, every second individual so appointed shall be appointed from among individuals who have special competence with regard to library and information services. Beginning with the second individual appointed to the position of Director after the date of enactment of the Workforce and Career Development Act of 1996, every second individual so appointed shall be appointed from among individuals who have special competence with regard to museum services.

''(b) COMPENSATION.—The Director shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

''(c) DUTIES AND POWERS.—The Director shall perform such duties and exercise such powers as may be prescribed by law, including awarding financial assistance for activities described in this title.

''(d) NONDELEGATION.—The Director shall not delegate any of the functions of the Director to any person who is not an officer or employee of the Institute.

''(e) COORDINATION.—The Director shall ensure coordination of the policies and activities of the Institute with the policies and activities of other agencies and offices of the Federal Government having interest in and responsibilities for the improvement of museums and libraries and information services.

''SEC. 205. DEPUTY DIRECTORS.

''The Office of Library Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have a graduate degree in library science and expertise in library and information services. The Office of Museum Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have expertise in museum services.

''SEC. 206. PERSONNEL.

''(a) IN GENERAL.—The Director may, in accordance with applicable provisions of title 5, United States Code, appoint and determine the compensation of such employees as the Director determines to be necessary to carry out the duties of the Institute.

''(b) VOLUNTARY SERVICES.—The Director may accept and utilize the voluntary services of individuals and reimburse the individuals for travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

''SEC. 207. CONTRIBUTIONS.

''The Institute is authorized to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such property or services in furtherance of the functions of the Institute. Any proceeds from such gifts, bequests, or devises, after acceptance by the Institute, shall be paid by the donor or the representative of the donor to the Director. The Director shall enter the proceeds in a special-interest bearing account to the credit of the Institute for the purposes specified in each case.

''Subtitle B—Library Services and Technology

''SEC. 211. SHORT TITLE.

''This subtitle may be cited as the 'Library Services and Technology Act'.

''SEC. 212. PURPOSE.

''It is the purpose of this subtitle—

''(1) to consolidate Federal library service programs;

''(2) to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages;

''(3) to promote library services that provide all users access to information through State, regional, national and international electronic networks;

''(4) to provide linkages among and between libraries and one-stop career center systems; and

''(5) to promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

''SEC. 213. DEFINITIONS.

''As used in this subtitle:

''(1) INDIAN TRIBE.—The term 'Indian tribe' means any tribe, band, nation, or other organized group or community, including any Alaska native village, regional corporation, or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized by the Secretary of the Interior as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

''(2) LIBRARY.—The term 'library' includes—

''(A) a public library;

''(B) a public elementary school or secondary school library;

''(C) an academic library;

''(D) a research library, which for the purposes of this subtitle means a library that—

''(i) makes publicly available library services and materials suitable for scholarly research and not otherwise available to the public; and

''(ii) is not an integral part of an institution of higher education; and

''(E) a private library, but only if the State in which such private library is located determines that the library should be considered a library for purposes of this subtitle.

''(3) LIBRARY CONSORTIUM.—The term 'library consortium' means any local, statewide, regional, interstate, or international cooperative association of library entities which provides for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers, for improved services for the clientele of such library entities.

''(4) STATE.—The term 'State', unless otherwise specified, includes each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(5) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term 'State library administrative agency' means the official agency of a State charged by the law of the State with the extension and development of public library services throughout the State.

''(6) STATE PLAN.—The term 'State plan' means the document which gives assurances that the officially designated State library administrative agency has the fiscal and legal authority and capability to administer all aspects of this subtitle, provides assurances for establishing the State's policies, priorities, criteria, and procedures necessary to the implementation of all programs under this subtitle, submits copies for approval as required by regulations promulgated by the Director, identifies a State's library needs, and sets forth the activities to be taken toward meeting the identified needs supported with the assistance of Federal funds made available under this subtitle.

''SEC. 214. AUTHORIZATION OF APPROPRIATIONS.

''(a) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated $150,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out this subtitle.

''(2) TRANSFER.—The Secretary of Education shall—

''(A) transfer any funds appropriated under the authority of paragraph (1) to the Director to enable the Director to carry out this subtitle; and

''(B) not exercise any authority concerning the administration of this title other than the transfer described in subparagraph (A).

''(b) FORWARD FUNDING.—

''(1) IN GENERAL.—To the end of affording the responsible Federal, State, and local officers adequate notice of available Federal financial assistance for carrying out ongoing library activities and projects, appropriations for grants, contracts, or other payments under any program under this subtitle are authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year during which such activities and projects shall be carried out.

''(2) ADDITIONAL AUTHORIZATION OF APPROPRIATIONS.—In order to effect a transition to the timing of appropriation action authorized by subsection (a), the application of this section may result in the enactment, in a fiscal year, of separate appropriations for a program under this subtitle (whether in the same appropriations Act or otherwise) for two consecutive fiscal years.

''(c) ADMINISTRATION.—Not more than 3 percent of the funds appropriated under this section for a fiscal year may be used to pay for the Federal administrative costs of carrying out this subtitle.

''CHAPTER 1—BASIC PROGRAM REQUIREMENTS

''SEC. 221. RESERVATIONS AND ALLOTMENTS.

''(a) RESERVATIONS.—

''(1) IN GENERAL.—From the amount appropriated under the authority of section 214 for any fiscal year, the Director—

''(A) shall reserve 1½ percent to award grants in accordance with section 261; and

''(B) shall reserve 4 percent to award national leadership grants or contracts in accordance with section 262.

''(2) SPECIAL RULE.—If the funds reserved pursuant to paragraph (1)(B) for a fiscal year have not been obligated by the end of such fiscal year, then such funds shall be allotted in accordance with subsection (b) for the fiscal year succeeding the fiscal year for which the funds were so reserved.

''(b) ALLOTMENTS.—

''(1) IN GENERAL.—From the sums appropriated under the authority of section 214 and not reserved under subsection (a) for any fiscal year, the Director shall award grants from minimum allotments, as determined under paragraph (3), to each State. Any sums remaining after minimum allotments are made for such year shall be allotted in the manner set forth in paragraph (2).

''(2) REMAINDER.—From the remainder of any sums appropriated under the authority of section 214 that are not reserved under subsection (a) and not allotted under paragraph (1) for any fiscal year, the Director shall award grants to each State in an amount that bears the same relation to such remainder as the population of the State bears to the population of all States.

''(3) MINIMUM ALLOTMENT.—

''(A) IN GENERAL.—For the purposes of this subsection, the minimum allotment for each State shall be $340,000, except that the minimum allotment shall be $40,000 in the case of the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(B) RATABLE REDUCTIONS.—If the sum appropriated under the authority of section 214 and not reserved under subsection (a) for any fiscal year is insufficient to fully satisfy the aggregate of the minimum allotments for all States for that purpose for such year, each of such minimum allotments shall be reduced ratably.

''(C) SPECIAL RULE.—

''(i) IN GENERAL.—Notwithstanding any other provision of this subsection and using funds allotted for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau under this subsection, the Director shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out activities described in this subtitle in accordance with the provisions of this subtitle that the Director determines are not inconsistent with this subparagraph.

''(ii) AWARD BASIS.—The Director shall award grants pursuant to clause (i) on a competitive basis and pursuant to recommendations from the Pacific Region Educational Laboratory in Honolulu, Hawaii.

''(iii) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this subtitle for any fiscal year that begins after September 30, 2001.

''(iv) ADMINISTRATIVE COSTS.—The Director may provide not more than 5 percent of the funds made available for grants under this subparagraph to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subparagraph.

''(4) DATA.—The population of each State and of all the States shall be determined by the Director on the basis of the most recent data available from the Bureau of the Census.

''SEC. 222. ADMINISTRATION.

''(a) IN GENERAL.—Not more than 4 percent of the total amount of funds received under this subtitle for any fiscal year by a State may be used for administrative costs.

''(b) CONSTRUCTION.—Nothing in this section shall be construed to limit spending for evaluation costs under section 224(c) from sources other than this subtitle.

''SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE OF EFFORT REQUIREMENTS.

''(a) PAYMENTS.—The Director shall pay to each State library administrative agency having a State plan approved under section 224 the Federal share of the cost of the activities described in the State plan.

''(b) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share shall be 66 percent.

''(2) NON-FEDERAL SHARE.—The non-Federal share of payments shall be provided from non-Federal, State, or local sources.

''(c) MAINTENANCE OF EFFORT.—

''(1) STATE EXPENDITURES.—

''(A) REQUIREMENT.—

''(i) IN GENERAL.—The amount otherwise payable to a State for a fiscal year pursuant to an allotment under this chapter shall be reduced if the level of State expenditures, as described in paragraph (2), for the previous fiscal year is less than the average of the total of such expenditures for the 3 fiscal years preceding that previous fiscal year. The amount of the reduction in allotment for any fiscal year shall be equal to the amount by which the level of such State expenditures for the fiscal year for which the determination is made is less than the average of the total of such expenditures for the 3 fiscal years preceding the fiscal year for which the determination is made.

''(ii) CALCULATION.—Any decrease in State expenditures resulting from the application of subparagraph (B) shall be excluded from the calculation of the average level of State expenditures for any 3-year period described in clause (i).

''(B) DECREASE IN FEDERAL SUPPORT.—If the amount made available under this subtitle for a fiscal year is less than the amount made available under this subtitle for the preceding fiscal year, then the expenditures required by subparagraph (A) for such preceding fiscal year shall be decreased by the same percentage as the percentage decrease in the amount so made available.

''(2) LEVEL OF STATE EXPENDITURES.—The level of State expenditures for the purposes of paragraph (1) shall include all State dollars expended by the State library administrative agency for library programs that are consistent with the purposes of this subtitle. All funds included in the maintenance of effort calculation under this subsection shall be expended during the fiscal year for which the determination is made, and shall not include capital expenditures, special one-time project costs, or similar windfalls.

''(3) WAIVER.—The Director may waive the requirements of paragraph (1) if the Director determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

''SEC. 224. STATE PLANS.

''(a) STATE PLAN REQUIRED.—

''(1) IN GENERAL.—In order to be eligible to receive a grant under this subtitle, a State library administrative agency shall submit a State plan to the Director not later than April 1, 1997.

''(2) DURATION.—The State plan shall cover a period of 5 fiscal years.

''(3) REVISIONS.—If a State library administrative agency makes a substantive revision to its

State plan, then the State library administrative agency shall submit to the Director an amendment to the State plan containing such revision not later than April 1 of the fiscal year preceding the fiscal year for which the amendment will be effective.

''(b) CONTENTS.—The State plan shall—

''(1) establish goals, and specify priorities, for the State consistent with the purposes of this subtitle;

''(2) describe activities that are consistent with the goals and priorities established under paragraph (1), the purposes of this subtitle, and section 231, that the State library administrative agency will carry out during such year using such grant;

''(3) describe the procedures that such agency will use to carry out the activities described in paragraph (2);

''(4) describe the methodology that such agency will use to evaluate the success of the activities established under paragraph (2) in achieving the goals and meeting the priorities described in paragraph (1);

''(5) describe the procedures that such agency will use to involve libraries and library users throughout the State in policy decisions regarding implementation of this subtitle; and

''(6) provide assurances satisfactory to the Director that such agency will make such reports, in such form and containing such information, as the Director may reasonably require to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out the purposes of this subtitle.

''(c) EVALUATION AND REPORT.—Each State library administrative agency receiving a grant under this subtitle shall independently evaluate, and report to the Director regarding, the activities assisted under this subtitle, prior to the end of the 5-year plan.

''(d) INFORMATION.—Each library receiving assistance under this subtitle shall submit to the State library administrative agency such information as such agency may require to meet the requirements of subsection (c).

''(e) APPROVAL.—

''(1) IN GENERAL.—The Director shall approve any State plan under this subtitle that meets the requirements of this subtitle and provides satisfactory assurances that the provisions of such plan will be carried out.

''(2) PUBLIC AVAILABILITY.—Each State library administrative agency receiving a grant under this subtitle shall make the State plan available to the public.

''(3) ADMINISTRATION.—If the Director determines that the State plan does not meet the requirements of this section, the Director shall—

''(A) immediately notify the State library administrative agency of such determination and the reasons for such determination;

''(B) offer the State library administrative agency the opportunity to revise its State plan;

''(C) provide technical assistance in order to assist the State library administrative agency in meeting the requirements of this section; and

''(D) provide the State library administrative agency the opportunity for a hearing.

''CHAPTER 2—LIBRARY PROGRAMS

''SEC. 231. GRANTS TO STATES.

''(a) IN GENERAL.—Of the funds provided to a State library administrative agency under section 214, such agency shall expend, either directly or through subgrants or cooperative agreements, at least 96 percent of such funds for—

''(1) establishing or enhancing electronic linkages among or between libraries, library consortia, one-stop career center systems established under section 121(d) of the Workforce and Career Development Act of 1996, and eligible providers as such term is defined in section 4 of such Act, or any combination thereof; and

''(2) targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

''(b) SPECIAL RULE.—Each State library administrative agency receiving funds under this chapter may apportion the funds available for the purposes described in subsection (a) between the two purposes described in paragraphs (1) and (2) of such subsection, as appropriate, to meet the needs of the individual State.

''CHAPTER 3—ADMINISTRATIVE PROVISIONS

''Subchapter A—State Requirements

''SEC. 251. STATE ADVISORY COUNCILS.

''Each State desiring assistance under this subtitle may establish a State advisory council which is broadly representative of the library entities in the State, including public, school, academic, special, and institutional libraries, and libraries serving individuals with disabilities.

''Subchapter B—Federal Requirements

''SEC. 261. SERVICES FOR INDIAN TRIBES.

''From amounts reserved under section 221(a)(1)(A) for any fiscal year the Director shall award grants to organizations primarily serving and representing Indian tribes to enable such organizations to carry out the activities described in section 231.

''SEC. 262. NATIONAL LEADERSHIP GRANTS OR CONTRACTS.

''(a) IN GENERAL.—From the amounts reserved under section 221(a)(1)(B) for any fiscal year the Director shall establish and carry out a program awarding national leadership grants or contracts to enhance the quality of library services nationwide and to provide coordination between libraries and museums. Such grants or contracts shall be used for activities that may include—

''(1) education and training of persons in library and information science, particularly in areas of new technology and other critical needs, including graduate fellowships, traineeships, institutes, or other programs;

''(2) research and demonstration projects related to the improvement of libraries, education in library and information science, enhancement of library services through effective and efficient use of new technologies, and dissemination of information derived from such projects;

''(3) preservation or digitization of library materials and resources, giving priority to projects emphasizing coordination, avoidance of duplication, and access by researchers beyond the institution or library entity undertaking the project; and

''(4) model programs demonstrating cooperative efforts between libraries and museums.

''(b) GRANTS OR CONTRACTS.—

''(1) IN GENERAL.—The Director may carry out the activities described in subsection (a) by awarding grants to, or entering into contracts with, libraries, agencies, institutions of higher education, or museums, where appropriate.

''(2) COMPETITIVE BASIS.—Grants and contracts under this section shall be awarded on a competitive basis.

''(c) SPECIAL RULE.—The Director shall make every effort to ensure that activities assisted under this section are administered by appropriate library and museum professionals or experts.

''SEC. 263. STATE AND LOCAL INITIATIVES.

''Nothing in this subtitle shall be construed to interfere with State and local initiatives and responsibility in the conduct of library services. The administration of libraries, the selection of personnel and library books and materials, and insofar as consistent with the purposes of this subtitle, the determination of the best uses of the funds provided under this subtitle, shall be reserved for the States and their local subdivisions.

''Subtitle C—Museum Services

''SEC. 271. PURPOSE.

''It is the purpose of this subtitle—

''(1) to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and post-secondary education and with programs of non-formal education for all age groups;

''(2) to assist museums in modernizing their methods and facilities so that the museums are better able to conserve the cultural, historic, and scientific heritage of the United States; and

''(3) to ease the financial burden borne by museums as a result of their increasing use by the public.

''SEC. 272. DEFINITIONS.

''As used in this subtitle:

''(1) MUSEUM.—The term 'museum' means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or aesthetic purposes, that utilizes a professional staff, owns or utilizes tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis.

''(2) STATE.—The term 'State' means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''SEC. 273. MUSEUM SERVICES ACTIVITIES.

''(a) GRANTS.—The Director, subject to the policy direction of the Museum Board, may make grants to museums to pay for the Federal share of the cost of increasing and improving museum services, through such activities as—

''(1) programs that enable museums to construct or install displays, interpretations, and exhibitions in order to improve museum services provided to the public;

''(2) assisting museums in developing and maintaining professionally trained or otherwise experienced staff to meet the needs of the museums;

''(3) assisting museums in meeting the administrative costs of preserving and maintaining the collections of the museums, exhibiting the collections to the public, and providing educational programs to the public through the use of the collections;

''(4) assisting museums in cooperating with each other in developing traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

''(5) assisting museums in the conservation of their collections;

''(6) developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions; and

''(7) model programs demonstrating cooperative efforts between libraries and museums.

''(b) CONTRACTS AND COOPERATIVE AGREEMENTS.—

''(1) PROJECTS TO STRENGTHEN MUSEUM SERVICES.—The Director, subject to the policy direction of the Museum Board, is authorized to enter into contracts and cooperative agreements with appropriate entities, as determined by the Director, to pay for the Federal share of enabling the entities to undertake projects designed to strengthen museum services, except that any contracts or cooperative agreements entered into pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in appropriations Acts.

''(2) LIMITATION ON AMOUNT.—The aggregate amount of financial assistance made available under this subsection for a fiscal year shall not exceed 15 percent of the amount appropriated under this subtitle for such fiscal year.

''(3) OPERATIONAL EXPENSES.—No financial assistance may be provided under this subsection to pay for operational expenses.

''(c) FEDERAL SHARE.—

''(1) 50 PERCENT.—Except as provided in paragraph (2), the Federal share described in subsections (a) and (b) shall be not more than 50 percent.

''(2) GREATER THAN 50 PERCENT.—The Director may use not more than 20 percent of the funds made available under this subtitle for a fiscal year to make grants under subsection (a), or enter into contracts or agreements under subsection (b), for which the Federal share may be greater than 50 percent.

''(d) REVIEW AND EVALUATION.—The Director shall establish procedures for reviewing and evaluating grants, contracts, and cooperative agreements made or entered into under this subtitle. Procedures for reviewing grant applications or contracts and cooperative agreements for financial assistance under this subtitle shall not be subject to any review outside of the Institute.

''SEC. 274. AWARD.

''The Director, with the advice of the Museum Board, may annually award a National Award for Museum Service to outstanding museums that have made significant contributions in service to their communities.

''SEC. 275. NATIONAL MUSEUM SERVICES BOARD.

''(a) ESTABLISHMENT.—There is established in the Institute a National Museum Services Board.

''(b) COMPOSITION AND QUALIFICATIONS.—

''(1) COMPOSITION.—The Museum Board shall consist of the Director and 14 members appointed by the President, by and with the advice and consent of the Senate.

''(2) QUALIFICATIONS.—The appointive members of the Museum Board shall be selected from among citizens of the United States—

''(A) who are members of the general public;

''(B) who are or have been affiliated with—

''(i) resources that, collectively, are broadly representative of the curatorial, conservation, educational, and cultural resources of the United States; or

''(ii) museums that, collectively, are broadly representative of various types of museums, including museums relating to science, history, technology, art, zoos, and botanical gardens; and

''(C) who are recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

''(3) GEOGRAPHIC AND OTHER REPRESENTATION.—Members of the Museum Board shall be appointed to reflect persons from various geographic regions of the United States. The Museum Board may not include, at any time, more than 3 members from a single State. In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved with museums.

''(c) TERMS.—

''(1) IN GENERAL.—Each appointive member of the Museum Board shall serve for a term of 5 years, except that—

''(A) of the members first appointed, 3 shall serve for terms of 5 years, 3 shall serve for terms of 4 years, 3 shall serve for terms of 3 years, 3 shall serve for terms of 2 years, and 2 shall serve for terms of 1 year, as designated by the President at the time of nomination for appointment; and

''(B) any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

''(2) REAPPOINTMENT.—No member of the Museum Board who has been a member for more than 7 consecutive years shall be eligible for reappointment.

''(3) SERVICE UNTIL SUCCESSOR TAKES OFFICE.—Notwithstanding any other provision of this subsection, a member of the Museum Board shall serve after the expiration of the term of the member until the successor to the member takes office.

''(d) DUTIES AND POWERS.—The Museum Board shall have the responsibility to advise the Director on general policies with respect to the duties, powers, and authority of the Institute relating to museum services, including general policies with respect to—

''(1) financial assistance awarded under this subtitle for museum services; and

''(2) projects described in section 262(a)(4).

''(e) CHAIRPERSON.—The President shall designate 1 of the appointive members of the Museum Board as Chairperson of the Museum Board.

''(f) MEETINGS.—

''(1) IN GENERAL.—The Museum Board shall meet—

''(A) not less than 3 times each year, including—

''(i) not less than 2 times each year separately; and

''(ii) not less than 1 time each year in a joint meeting with the Commission, convened for purposes of making general policies with respect to financial assistance for projects described in section 262(a)(4); and

''(B) at the call of the Director.

''(2) VOTE.—All decisions by the Museum Board with respect to the exercise of the duties and powers of the Museum Board shall be made by a majority vote of the members of the Museum Board who are present. All decisions by the Commission and the Museum Board with respect to the policies described in paragraph (1)(A)(ii) shall be made by a ⅔ majority vote of the total number of the members of the Commission and the Museum Board who are present.

''(g) QUORUM.—A majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official meetings of the Museum Board, but a lesser number of members may hold hearings. A majority of the members of the Commission and a majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the Museum Board.

''(h) COMPENSATION AND TRAVEL EXPENSES.—

''(1) COMPENSATION.—Each member of the Museum Board who is not an officer or employee of the Federal Government shall be compensated at a rate to be fixed by the President, but not to exceed the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Museum Board. All members of the Museum Board who are officers or employees of the Federal Government shall serve without compensation in addition to compensation received for their services as officers or employees of the Federal Government.

''(2) TRAVEL EXPENSES.—The members of the Museum Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent, as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

''(i) COORDINATION.—The Museum Board, with the advice of the Director, shall take steps to ensure that the policies and activities of the Institute are coordinated with other activities of the Federal Government.

''SEC. 276. AUTHORIZATION OF APPROPRIATIONS.

''(a) GRANTS.—For the purpose of carrying out this subtitle, there are authorized to be appropriated to the Director $28,700,000 for the fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2002.

''(b) ADMINISTRATION.—Not more than 10 percent of the funds appropriated under this section for a fiscal year may be used to pay for the administrative costs of carrying out this subtitle.

''(c) SUMS REMAINING AVAILABLE.—Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation until expended.''.

SEC. 302. NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE.

(a) FUNCTIONS.—Section 5 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1504) is amended—

(1) by redesignating subsections (b) through (d) as subsections (d) through (f), respectively; and

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

''(b) The Commission shall have the responsibility to advise the Director of the Institute of Museum and Library Services on general policies with respect to the duties, powers, and authority of the Institute of Museum and Library Services relating to library services, including—

''(1) general policies with respect to—

''(A) financial assistance awarded under the Museum and Library Services Act for library services; and

''(B) projects described in section 262(a)(4) of such Act; and

''(2) measures to ensure that the policies and activities of the Institute of Museum and Library Services are coordinated with other activities of the Federal Government.

''(c)(1) The Commission shall meet not less than 1 time each year in a joint meeting with the National Museum Services Board, convened for purposes of providing advice on general policy with respect to financial assistance for projects described in section 262(a)(4) of such Act.

''(2) All decisions by the Commission and the National Museum Services Board with respect to the advice on general policy described in paragraph (1) shall be made by a ⅔ majority vote of the total number of the members of the Commission and the National Museum Services Board who are present.

''(3) A majority of the members of the Commission and a majority of the members of the National Museum Services Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the National Museum Services Board.''.

(b) MEMBERSHIP.—Section 6 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1505) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ''Librarian of Congress'' and inserting ''Librarian of Congress, the Director of the Institute of Museum and Library Services (who shall serve as an ex officio, nonvoting member),'';

(B) in the second sentence—

(i) by striking ''special competence or interest in'' and inserting ''special competence in or knowledge of; and

(ii) by inserting before the period the following: ''and at least one other of whom shall be knowledgeable with respect to the library and information service and science needs of the elderly'';

(C) in the third sentence, by inserting ''appointive'' before ''members''; and

(D) in the last sentence, by striking ''term and at least'' and all that follows and inserting ''term.''; and

(2) in subsection (b), by striking ''the rate specified'' and all that follows through ''and while'' and inserting ''the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including traveltime) during which the members are engaged in the business of the Commission. While''.

SEC. 303. TRANSFER OF FUNCTIONS FROM INSTITUTE OF MUSEUM SERVICES.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code;

(2) the term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS FROM THE INSTITUTE OF MUSEUM SERVICES AND THE LIBRARY PROGRAM OFFICE.—There are transferred to the Director of the Institute of Museum and Library Services established under section 203 of the Museum and Library Services Act—

(1) all functions that the Director of the Institute of Museum Services exercised before the date of enactment of this section (including all related functions of any officer or employee of the Institute of Museum Services); and

(2) all functions that the Director of Library Programs in the Office of Educational Research and Improvement in the Department of Education exercised before the date of enactment of this section and any related function of any officer or employee of the Department of Education.

(c) DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under subsection (b).

(d) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the Director of the Institute of Museum and Library Services may delegate any of the functions transferred to the Director of the Institute of Museum and Library Services by this section and any function transferred or granted to such Director of the Institute of Museum and Library Services after the effective date of this section to such officers and employees of the Institute of Museum and Library Services as the Director of the Institute of Museum and Library Services may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate, except that any delegation of any such functions with respect to libraries shall be made to the Deputy Director of the Office of Library Services and with respect to museums shall be made to the Deputy Director of the Office of Museum Services. No delegation of functions by the Director of the Institute of Museum and Library Services under this section or under any other provision of this section shall relieve such Director of the Institute of Museum and Library Services of responsibility for the administration of such functions.

(e) REORGANIZATION.—The Director of the Institute of Museum and Library Services may allocate or reallocate any function transferred under subsection (b) among the officers of the Institute of Museum and Library Services, and may establish, consolidate, alter, or discontinue such organizational entities in the Institute of Museum and Library Services as may be necessary or appropriate.

(f) RULES.—The Director of the Institute of Museum and Library Services may prescribe, in accordance with chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Director of the Institute of Museum and Library Services determines to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services.

(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Institute of Museum and Library Services. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the purposes of this section.

(i) EFFECT ON PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided by this section, the transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for 1 year after the date of transfer of such employee under this section.

(2) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this section, any person who, on the day preceding the effective date of this section, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Institute of Museum and Library Services to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(j) SAVINGS PROVISIONS.—

(1) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that were in effect before the effective date of this section, or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director of the Institute of Museum and Library Services or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) PROCEEDINGS NOT AFFECTED.—This section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Institute of Museum Services on the effective date of this section, with respect to functions transferred by this section. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to the orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) SUITS NOT AFFECTED.—This section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(4) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Institute of Museum Services, or by or against any individual in the official capacity of such individual as an officer of the Institute of Museum Services, shall abate by reason of the enactment of this section.

(5) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Institute of Museum Services relating to a function transferred under this section may be continued by the Institute of Museum and Library Services with the same effect as if this section had not been enacted.

(k) TRANSITION.—The Director of the Institute of Museum and Library Services may utilize—

(1) the services of such officers, employees, and other personnel of the Institute of Museum Services with respect to functions transferred to the Institute of Museum and Library Services by this section; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(l) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Director of the Institute of Museum Services with regard to functions transferred under subsection (b), shall be deemed to refer to the Director of the Institute of Museum and Library Services; and

(2) the Institute of Museum Services with regard to functions transferred under subsection (b), shall be deemed to refer to the Institute of Museum and Library Services.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Director of the Institute of Museum and Library Services shall prepare and submit to the appropriate committees of Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the effective date of this section, the Director of the Institute of Museum and Library Services shall submit to the appropriate committees of Congress the recommended legislation referred to under paragraph (1).

SEC. 304. SERVICE OF INDIVIDUALS SERVING ON DATE OF ENACTMENT.

Notwithstanding section 204 of the Museum and Library Services Act, the individual who was appointed to the position of Director of the Institute of Museum Services under section 205 of the Museum Services Act (as such section was in effect on the day before the date of enactment of this Act) and who is serving in such position on the day before the date of enactment of this Act shall serve as the first Director of the Institute of Museum and Library Services under section 204 of the Museum and Library Services Act (as added by section 301 of this title), and shall serve at the pleasure of the President.

SEC. 305. CONSIDERATION.

Consistent with title 5, United States Code, in appointing employees of the Office of Library

Services, the Director of the Institute of Museum and Library Services shall give strong consideration to individuals with experience in administering State-based and national library and information services programs.

SEC. 306. TRANSITION AND TRANSFER OF FUNDS.

(a) TRANSITION.—The Director of the Office of Management and Budget shall take appropriate measures to ensure an orderly transition from the activities previously administered by the Director of Library Programs in the Office of Educational Research and Improvement in the Department of Education to the activities administered by the Institute for Museum and Library Services under this title. Such measures may include the transfer of appropriated funds.

(b) TRANSFER.—The Secretary of Education shall transfer to the Director the amount of funds necessary to ensure the orderly transition from activities previously administered by the Director of the Office of Library Programs in the Office of Educational Research and Improvement in the Department of Education to the activities administered by the Institute for Museum and Library Services. In no event shall the amount of funds transferred pursuant to the preceding sentence be less than $200,000.

TITLE IV—HIGHER EDUCATION

SEC. 401. REORGANIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION THROUGH THE FORMATION OF A HOLDING COMPANY.

(a) AMENDMENT.—Part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by inserting after section 439 (20 U.S.C. 1087–2) the following new section:

"SEC. 440. REORGANIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION THROUGH THE FORMATION OF A HOLDING COMPANY.

''(a) ACTIONS BY THE ASSOCIATION'S BOARD OF DIRECTORS.—The Board of Directors of the Association shall take or cause to be taken all such action as the Board of Directors deems necessary or appropriate to effect, upon the shareholder approval described in subsection (b), a restructuring of the common stock ownership of the Association, as set forth in a plan of reorganization adopted by the Board of Directors (the terms of which shall be consistent with this section) so that all of the outstanding common shares of the Association shall be directly owned by a Holding Company. Such actions may include, in the Board of Director's discretion, a merger of a wholly owned subsidiary of the Holding Company with and into the Association, which would have the effect provided in the plan of reorganization and the law of the jurisdiction in which such subsidiary is incorporated. As part of the restructuring, the Board of Directors may cause—

''(1) the common shares of the Association to be converted, on the reorganization effective date, to common shares of the Holding Company on a one for one basis, consistent with applicable State or District of Columbia law; and

''(2) Holding Company common shares to be registered with the Securities and Exchange Commission.

''(b) SHAREHOLDER APPROVAL.—The plan of reorganization adopted by the Board of Directors pursuant to subsection (a) shall be submitted to common shareholders of the Association for their approval. The reorganization shall occur on the reorganization effective date, provided that the plan of reorganization has been approved by the affirmative votes, cast in person or by proxy, of the holders of a majority of the issued and outstanding shares of the Association common stock.

''(c) TRANSITION.—In the event the shareholders of the Association approve the plan of reorganization under subsection (b), the following provisions shall apply beginning on the reorganization effective date:

''(1) IN GENERAL.—Except as specifically provided in this section, until the dissolution date the Association shall continue to have all of the rights, privileges and obligations set forth in, and shall be subject to all of the limitations and restrictions of, section 439, and the Association shall continue to carry out the purposes of such section. The Holding Company and any subsidiary of the Holding Company (other than the Association) shall not be entitled to any of the rights, privileges, and obligations, and shall not be subject to the limitations and restrictions, applicable to the Association under section 439, except as specifically provided in this section. The Holding Company and any subsidiary of the Holding Company (other than the Association or a subsidiary of the Association) shall not purchase loans insured under this Act until such time as the Association ceases acquiring such loans, except that the Holding Company may purchase such loans if the Association is merely continuing to acquire loans as a lender of last resort pursuant to section 439(q) or under an agreement with the Secretary described in paragraph (6).

''(2) TRANSFER OF CERTAIN PROPERTY.—

''(A) IN GENERAL.—Except as provided in this section, on the reorganization effective date or as soon as practicable thereafter, the Association shall use the Association's best efforts to transfer to the Holding Company or any subsidiary of the Holding Company (or both), as directed by the Holding Company, all real and personal property of the Association (both tangible and intangible) other than the remaining property. Subject to the preceding sentence, such transferred property shall include all right, title, and interest in—

''(i) direct or indirect subsidiaries of the Association (excluding special purpose funding companies in existence on the date of enactment of this section and any interest in any government-sponsored enterprise);

''(ii) contracts, leases, and other agreements of the Association;

''(iii) licenses and other intellectual property of the Association; and

''(iv) any other property of the Association.

''(B) CONSTRUCTION.—Nothing in this paragraph shall be construed to prohibit the Association from transferring remaining property from time to time to the Holding Company or any subsidiary of the Holding Company, subject to the provisions of paragraph (4).

''(3) TRANSFER OF PERSONNEL.—On the reorganization effective date, employees of the Association shall become employees of the Holding Company (or any subsidiary of the Holding Company), and the Holding Company (or any subsidiary of the Holding Company) shall provide all necessary and appropriate management and operational support (including loan servicing) to the Association, as requested by the Association. The Association, however, may obtain such management and operational support from persons or entities not associated with the Holding Company.

''(4) DIVIDENDS.—The Association may pay dividends in the form of cash or noncash distributions so long as at the time of the declaration of such dividends, after giving effect to the payment of such dividends as of the date of such declaration by the Board of Directors of the Association, the Association's capital would be in compliance with the capital standards and requirements set forth in section 439(r). If, at any time after the reorganization effective date, the Association fails to comply with such capital standards, the Holding Company shall transfer to the Association additional capital in such amounts as are necessary to ensure that the Association again complies with the capital standards.

''(5) CERTIFICATION PRIOR TO DIVIDEND.—Prior to any such distribution, the Association shall certify to the Secretary of the Treasury that the payment of the dividend will be made in compliance with this paragraph and shall provide copies of all calculations needed to make such certification.

''(6) RESTRICTIONS ON NEW BUSINESS ACTIVITY OR ACQUISITION OF ASSETS BY ASSOCIATION.—

''(A) IN GENERAL.—After the reorganization effective date, the Association shall not engage in any new business activities or acquire any additional program assets described in section 439(d) other than in connection with—

''(i) student loan purchases through September 30, 2007;

''(ii) contractual commitments for future warehousing advances, or pursuant to letters of credit or standby bond purchase agreements, which are outstanding as of the reorganization effective date;

''(iii) the Association serving as a lender-of-last-resort pursuant to section 439(q); and

''(iv) the Association's purchase of loans insured under this part, if the Secretary, with the approval of the Secretary of the Treasury, enters into an agreement with the Association for the continuation or resumption of the Association's secondary market purchase program because the Secretary determines there is inadequate liquidity for loans made under this part.

''(B) AGREEMENT.—The Secretary is authorized to enter into an agreement described in clause (iii) of subparagraph (A) with the Association covering such secondary market activities. Any agreement entered into under such clause shall cover a period of 12 months, but may be renewed if the Secretary determines that liquidity remains inadequate. The fee provided under section 439(h)(7) shall not apply to loans acquired under any such agreement with the Secretary.

''(7) ISSUANCE OF DEBT OBLIGATIONS DURING THE TRANSITION PERIOD; ATTRIBUTES OF DEBT OBLIGATIONS.—After the reorganization effective date, the Association shall not issue debt obligations which mature later than September 30, 2008, except in connection with serving as a lender-of-last-resort pursuant to section 439(q) or with purchasing loans under an agreement with the Secretary as described in paragraph (6). Nothing in this section shall modify the attributes accorded the debt obligations of the Association by section 439, regardless of whether such debt obligations are incurred prior to, or at any time following, the reorganization effective date or are transferred to a trust in accordance with subsection (d).

''(8) MONITORING OF SAFETY AND SOUNDNESS.—

''(A) OBLIGATION TO OBTAIN, MAINTAIN, AND REPORT INFORMATION.—The Association shall obtain such information and make and keep such records as the Secretary of the Treasury may from time to time prescribe concerning—

''(i) the financial risk to the Association resulting from the activities of any associated person, to the extent such activities are reasonably likely to have a material impact on the financial condition of the Association, including the Association's capital ratio, the Association's liquidity, or the Association's ability to conduct and finance the Association's operations; and

''(ii) the Association's policies, procedures, and systems for monitoring and controlling any such financial risk.

''(B) SUMMARY REPORTS.—The Secretary of the Treasury may require summary reports of the information described in subparagraph (A) to be filed no more frequently than quarterly. If, as a result of adverse market conditions or based on reports provided pursuant to this subparagraph or other available information, the Secretary of the Treasury has concerns regarding the financial or operational condition of the Association, the Secretary of the Treasury may, notwithstanding the preceding sentence and subparagraph (A), require the Association to make reports concerning the activities of any associated person whose business activities are reasonably likely to have a material impact on the financial or operational condition of the Association.

''(C) SEPARATE OPERATION OF CORPORATIONS.—

''(i) IN GENERAL.—The funds and assets of the Association shall at all times be maintained separately from the funds and assets of the Holding Company or any subsidiary of the Holding Company and may be used by the Association solely to carry out the Association's purposes and to fulfill the Association's obligations.

''(ii) BOOKS AND RECORDS.—The Association shall maintain books and records that clearly reflect the assets and liabilities of the Association, separate from the assets and liabilities of the Holding Company or any subsidiary of the Holding Company.

''(iii) CORPORATE OFFICE.—The Association shall maintain a corporate office that is physically separate from any office of the Holding Company or any subsidiary of the Holding Company.

''(iv) DIRECTOR.—No director of the Association who is appointed by the President pursuant to section 439(c)(1)(A) may serve as a director of the Holding Company.

''(v) ONE OFFICER REQUIREMENT.—At least one officer of the Association shall be an officer solely of the Association.

''(vi) TRANSACTIONS.—Transactions between the Association and the Holding Company or any subsidiary of the Holding Company, including any loan servicing arrangements, shall be on terms no less favorable to the Association than the Association could obtain from an unrelated third party offering comparable services.

''(vii) CREDIT PROHIBITION.—The Association shall not extend credit to the Holding Company or any subsidiary of the Holding Company nor guarantee or provide any credit enhancement to any debt obligations of the Holding Company or any subsidiary of the Holding Company.

''(viii) AMOUNTS COLLECTED.—Any amounts collected on behalf of the Association by the Holding Company or any subsidiary of the Holding Company with respect to the assets of the Association, pursuant to a servicing contract or other arrangement between the Association and the Holding Company or any subsidiary of the Holding Company, shall be collected solely for the benefit of the Association and shall be immediately deposited by the Holding Company or such subsidiary to an account under the sole control of the Association.

''(D) ENCUMBRANCE OF ASSETS.—Notwithstanding any Federal or State law, rule, or regulation, or legal or equitable principle, doctrine, or theory to the contrary, under no circumstances shall the assets of the Association be available or used to pay claims or debts of or incurred by the Holding Company. Nothing in this subparagraph shall be construed to limit the right of the Association to pay dividends not otherwise prohibited under this subparagraph or to limit any liability of the Holding Company explicitly provided for in this section.

''(E) HOLDING COMPANY ACTIVITIES.—After the reorganization effective date and prior to the dissolution date, all business activities of the Holding Company shall be conducted through subsidiaries of the Holding Company.

''(F) CONFIDENTIALITY.—Any information provided by the Association pursuant to this section shall be subject to the same confidentiality obligations contained in section 439(r)(12).

''(G) DEFINITION.—For purposes of this paragraph, the term 'associated person' means any person, other than a natural person, who is directly or indirectly controlling, controlled by, or under common control with, the Association.

''(9) ISSUANCE OF STOCK WARRANTS.—On the reorganization effective date, the Holding Company shall issue to the Secretary of the Treasury a number of stock warrants that is equal to one percent of the outstanding shares of the Association, determined as of the last day of the fiscal quarter preceding the date of enactment of this section, with each stock warrant entitling the holder of the stock warrant to purchase from the Holding Company one share of the registered common stock of the Holding Company or the Holding Company's successors or assigns, at any time on or before September 30, 2008. The exercise price for such warrants shall be an amount equal to the average closing price of the common stock of the Association for the 20 business days prior to the date of enactment of this section on the exchange or market which is then the primary exchange or market for the common stock of the Association. The number of shares of Holding Company common stock subject to each warrant and the exercise price of each warrant shall be adjusted as necessary to reflect—

''(A) the conversion of Association common stock into Holding Company common stock as part of the plan of reorganization approved by the Association's shareholders; and

''(B) any issuance or sale of stock (including issuance or sale of treasury stock), stock split, recapitalization, reorganization, or other corporate event, if agreed to by the Secretary of the Treasury and the Association.

''(10) RESTRICTIONS ON TRANSFER OF ASSOCIATION SHARES AND BANKRUPTCY OF ASSOCIATION.—After the reorganization effective date, the Holding Company shall not sell, pledge, or otherwise transfer the outstanding shares of the Association, or agree to or cause the liquidation of the Association or cause the Association to file a petition for bankruptcy under title 11, United States Code, without prior approval of the Secretary of the Treasury and the Secretary of Education.

''(d) TERMINATION OF THE ASSOCIATION.—In the event the shareholders of the Association approve a plan of reorganization under subsection (b), the Association shall dissolve, and the Association's separate existence shall terminate on September 30, 2008, after discharge of all outstanding debt obligations and liquidation pursuant to this subsection. The Association may dissolve pursuant to this subsection prior to such date by notifying the Secretary of Education and the Secretary of the Treasury of the Association's intention to dissolve, unless within 60 days after receipt of such notice the Secretary of Education notifies the Association that the Association continues to be needed to serve as a lender of last resort pursuant to section 439(q) or continues to be needed to purchase loans under an agreement with the Secretary described in paragraph (6). On the dissolution date, the Association shall take the following actions:

''(1) ESTABLISHMENT OF A TRUST.—The Association shall, under the terms of an irrevocable trust agreement that is in form and substance satisfactory to the Secretary of the Treasury, the Association and the appointed trustee, irrevocably transfer all remaining obligations of the Association to the trust and irrevocably deposit or cause to be deposited into such trust, to be held as trust funds solely for the benefit of holders of the remaining obligations, money or direct noncallable obligations of the United States or any agency thereof for which payment the full faith and credit of the United States is pledged, maturing as to principal and interest in such amounts and at such times as are determined by the Secretary of the Treasury to be sufficient, without consideration of any significant reinvestment of such interest, to pay the principal of, and interest on, the remaining obligations in accordance with their terms. To the extent the Association cannot provide money or qualifying obligations in the amount required, the Holding Company shall be required to transfer money or qualifying obligations to the trust in the amount necessary to prevent any deficiency.

''(2) USE OF TRUST ASSETS.—All money, obligations, or financial assets deposited into the trust pursuant to this subsection shall be applied by the trustee to the payment of the remaining obligations assumed by the trust.

''(3) OBLIGATIONS NOT TRANSFERRED TO THE TRUST.—The Association shall make proper provision for all other obligations of the Association not transferred to the trust, including the repurchase or redemption, or the making of proper provision for the repurchase or redemption, of any preferred stock of the Association outstanding. Any obligations of the Association which cannot be fully satisfied shall become liabilities of the Holding Company as of the date of dissolution.

''(4) TRANSFER OF REMAINING ASSETS.—After compliance with paragraphs (1) and (3), any remaining assets of the trust shall be transferred to the Holding Company or any subsidiary of the Holding Company, as directed by the Holding Company.

''(e) OPERATION OF THE HOLDING COMPANY.—In the event the shareholders of the Association approve the plan of reorganization under subsection (b), the following provisions shall apply beginning on the reorganization effective date:

''(1) HOLDING COMPANY BOARD OF DIRECTORS.—The number of members and composition of the Board of Directors of the Holding Company shall be determined as set forth in the Holding Company's charter or like instrument (as amended from time to time) or bylaws (as amended from time to time) and as permitted under the laws of the jurisdiction of the Holding Company's incorporation.

''(2) HOLDING COMPANY NAME.—The names of the Holding Company and any subsidiary of the Holding Company (other than the Association)—

''(A) may not contain the name 'Student Loan Marketing Association'; and

''(B) may contain, to the extent permitted by applicable State or District of Columbia law, 'Sallie Mae' or variations thereof, or such other names as the Board of Directors of the Association or the Holding Company deems appropriate.

''(3) USE OF SALLIE MAE NAME.—Subject to paragraph (2), the Association may assign to the Holding Company, or any subsidiary of the Holding Company, the 'Sallie Mae' name as a trademark and service mark, except that neither the Holding Company nor any subsidiary of the Holding Company (other than the Association or any subsidiary of the Association) may use the 'Sallie Mae' name on, or to identify the issuer of, any debt obligation or other security offered or sold by the Holding Company or any subsidiary of the Holding Company (other than a debt obligation or other security issued to the Holding Company or any subsidiary of the Holding Company). The Association shall remit to the Secretary of the Treasury $5,000,000 within 60 days of the reorganization effective date as compensation for the right to assign such trademark or service mark.

''(4) DISCLOSURE REQUIRED.—Until 3 years after the dissolution date, the Holding Company, and any subsidiary of the Holding Company (other than the Association), shall prominently display—

''(A) in any document offering the Holding Company's securities, a statement that the obligations of the Holding Company and any subsidiary of the Holding Company are not guaranteed by the full faith and credit of the United States; and

''(B) in any advertisement or promotional materials which use the 'Sallie Mae' name or mark, a statement that neither the Holding Company nor any subsidiary of the Holding Company is a government-sponsored enterprise or instrumentality of the United States.

''(f) STRICT CONSTRUCTION.—Except as specifically set forth in this section, nothing in this section shall be construed to limit the authority of the Association as a federally chartered corporation, or of the Holding Company as a State or District of Columbia chartered corporation.

''(g) RIGHT TO ENFORCE.—The Secretary of Education or the Secretary of the Treasury, as appropriate, may request that the Attorney General bring an action in the United States District Court for the District of Columbia for the enforcement of any provision of this section, or may, under the direction or control of the Attorney General, bring such an action. Such court shall have jurisdiction and power to order and require compliance with this section.

''(h) DEADLINE FOR REORGANIZATION EFFECTIVE DATE.—This section shall be of no further force and effect in the event that the reorganization effective date does not occur on or before 18 months after the date of enactment of this section.

''(i) DEFINITIONS.—For purposes of this section:

''(1) ASSOCIATION.—The term 'Association' means the Student Loan Marketing Association.

''(2) DISSOLUTION DATE.—The term 'dissolution date' means September 30, 2008, or such earlier date as the Secretary of Education permits the transfer of remaining obligations in accordance with subsection (d).

''(3) HOLDING COMPANY.—The term 'Holding Company' means the new business corporation established pursuant to this section by the Association under the laws of any State of the United States or the District of Columbia for the purposes of the reorganization and restructuring described in subsection (a).

''(4) REMAINING OBLIGATIONS.—The term 'remaining obligations' means the debt obligations of the Association outstanding as of the dissolution date.

''(5) REMAINING PROPERTY.—The term 'remaining property' means the following assets and liabilities of the Association which are outstanding as of the reorganization effective date:

''(A) Debt obligations issued by the Association.

''(B) Contracts relating to interest rate, currency, or commodity positions or protections.

''(C) Investment securities owned by the Association.

''(D) Any instruments, assets, or agreements described in section 439(d) (including, without limitation, all student loans and agreements relating to the purchase and sale of student loans, forward purchase and lending commitments, warehousing advances, academic facilities obligations, letters of credit, standby bond purchase agreements, liquidity agreements, and student loan revenue bonds or other loans).

''(E) Except as specifically prohibited by this section or section 439, any other nonmaterial assets or liabilities of the Association which the Association's Board of Directors determines to be necessary or appropriate to the Association's operations.

''(6) REORGANIZATION.—The term 'reorganization' means the restructuring event or events (including any merger event) giving effect to the Holding Company structure described in subsection (a).

''(7) REORGANIZATION EFFECTIVE DATE.—The term 'reorganization effective date' means the effective date of the reorganization as determined by the Board of Directors of the Association, which shall not be earlier than the date that shareholder approval is obtained pursuant to subsection (b) and shall not be later than the date that is 18 months after the date of enactment of this section.

''(8) SUBSIDIARY.—The term 'subsidiary' includes one or more direct or indirect subsidiaries.''.

(b) TECHNICAL AMENDMENTS.—

(1) ELIGIBLE LENDER.—

(A) AMENDMENTS TO THE HIGHER EDUCATION ACT.—

(i) DEFINITION OF ELIGIBLE LENDER.—Section 435(d)(1)(F) of the Higher Education Act of 1965 (20 U.S.C. 1085(d)(1)(F)) is amended by inserting after ''Student Loan Marketing Association'' the following: ''or the Holding Company of the Student Loan Marketing Association, including any subsidiary of the Holding Company, created pursuant to section 440,''.

(ii) DEFINITION OF ELIGIBLE LENDER AND FEDERAL CONSOLIDATION LOANS.—Sections 435(d)(1)(G) and 428C(a)(1)(A) of such Act (20 U.S.C. 1085(d)(1)(G) and 1078–3(a)(1)(A)) are each amended by inserting after ''Student Loan Marketing Association'' the following: ''or the Holding Company of the Student Loan Marketing Association, including any subsidiary of the Holding Company, created pursuant to section 440''.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the reorganization effective date as defined in section 440(h) of the Higher Education Act of 1965 (as added by subsection (a)).

(2) ENFORCEMENT OF SAFETY AND SOUNDNESS REQUIREMENTS.—Section 439(r) of the Higher Education Act of 1965 (20 U.S.C. 1087–2(r)) is amended—

(A) in the first sentence of paragraph (12), by inserting ''or the Association's associated persons'' after ''by the Association'';

(B) by redesignating paragraph (13) as paragraph (15); and

(C) by inserting after paragraph (12) the following new paragraph:

''(13) ENFORCEMENT OF SAFETY AND SOUNDNESS REQUIREMENTS.—The Secretary of Education or the Secretary of the Treasury, as appropriate, may request that the Attorney General bring an action in the United States District Court for the District of Columbia for the enforcement of any provision of this section, or may, under the direction or control of the Attorney General, bring such an action. Such court shall have jurisdiction and power to order and require compliance with this section.''.

(3) FINANCIAL SAFETY AND SOUNDNESS.—Section 439(r) of the Higher Education Act of 1965 (20 U.S.C. 1087–2(r)) is further amended—

(A) in paragraph (1)—

(i) by striking ''and'' at the end of subparagraph (A);

(ii) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

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

''(C)(i) financial statements of the Association within 45 days of the end of each fiscal quarter; and

''(ii) reports setting forth the calculation of the capital ratio of the Association within 45 days of the end of each fiscal quarter.'';

(B) in paragraph (2)—

(i) by striking clauses (i) and (ii) of subparagraph (A) and inserting the following:

''(i) appoint auditors or examiners to conduct audits of the Association from time to time to determine the condition of the Association for the purpose of assessing the Association's financial safety and soundness and to determine whether the requirements of this section and section 440 are being met; and

''(ii) obtain the services of such experts as the Secretary of the Treasury determines necessary and appropriate, as authorized by section 3109 of title 5, United States Code, to assist in determining the condition of the Association for the purpose of assessing the Association's financial safety and soundness, and to determine whether the requirements of this section and section 440 are being met.''; and

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

''(D) ANNUAL ASSESSMENT.—

''(i) IN GENERAL.—For each fiscal year beginning on or after October 1, 1996, the Secretary of the Treasury may establish and collect from the Association an assessment (or assessments) in amounts sufficient to provide for reasonable costs and expenses of carrying out the duties of the Secretary of the Treasury under this section and section 440 during such fiscal year. In no event may the total amount so assessed exceed, for any fiscal year, $800,000, adjusted for each fiscal year ending after September 30, 1997, by the ratio of the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) for the final month of the fiscal year preceding the fiscal year for which the assessment is made to the Consumer Price Index for All Urban Consumers for September 1997.

''(ii) DEPOSIT.—Amounts collected from assessments under this subparagraph shall be deposited in an account within the Treasury of the United States as designated by the Secretary of the Treasury and shall remain available subject to amounts specified in appropriations Acts to carry out the duties of the Secretary of the Treasury under this subsection and section 440.'';

(C) in paragraph (11), by striking ''paragraphs (4) and (6)(A)'' and inserting ''paragraphs (4), (6)(A), and (14)''; and

(D) by inserting after paragraph (13) (as added by paragraph (2)(C)) the following new paragraph:

''(14) ACTIONS BY SECRETARY.—

''(A) IN GENERAL.—For any fiscal quarter ending after January 1, 2000, the Association shall have a capital ratio of at least 2.25 percent. The Secretary of the Treasury may, whenever such capital ratio is not met, take any one or more of the actions described in paragraph (7), except that—

''(i) the capital ratio to be restored pursuant to paragraph (7)(D) shall be 2.25 percent; and

''(ii) if the relevant capital ratio is in excess of or equal to 2 percent for such quarter, the Secretary of the Treasury shall defer taking any of the actions set forth in paragraph (7) until the next succeeding quarter and may then proceed with any such action only if the capital ratio of the Association remains below 2.25 percent.

''(B) APPLICABILITY.—The provisions of paragraphs (4), (5), (6), (8), (9), (10), and (11) shall be of no further application to the Association for any period after January 1, 2000.''.

(4) INFORMATION REQUIRED; DIVIDENDS.—Section 439(r) of the Higher Education Act of 1965 (20 U.S.C. 1087–2(r)) is further amended—

(A) by adding at the end of paragraph (2) (as amended in paragraph (3)(B)(ii)) the following new subparagraph:

''(E) OBLIGATION TO OBTAIN, MAINTAIN, AND REPORT INFORMATION.—

''(i) IN GENERAL.—The Association shall obtain such information and make and keep such records as the Secretary of the Treasury may from time to time prescribe concerning—

''(I) the financial risk to the Association resulting from the activities of any associated person, to the extent such activities are reasonably likely to have a material impact on the financial condition of the Association, including the Association's capital ratio, the Association's liquidity, or the Association's ability to conduct and finance the Association's operations; and

''(II) the Association's policies, procedures, and systems for monitoring and controlling any such financial risk.

''(ii) SUMMARY REPORTS.—The Secretary of the Treasury may require summary reports of such information to be filed no more frequently than quarterly. If, as a result of adverse market conditions or based on reports provided pursuant to this subparagraph or other available information, the Secretary of the Treasury has concerns regarding the financial or operational condition of the Association, the Secretary of the Treasury may, notwithstanding the preceding sentence and clause (i), require the Association to make reports concerning the activities of any associated person, whose business activities are reasonably likely to have a material impact on the financial or operational condition of the Association.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'associated person' means any person, other than a natural person, directly or indirectly controlling, controlled by, or under common control with the Association.''; and

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

''(16) DIVIDENDS.—The Association may pay dividends in the form of cash or noncash distributions so long as at the time of the declaration of such dividends, after giving effect to the payment of such dividends as of the date of such declaration by the Board of Directors of the Association, the Association's capital would be in compliance with the capital standards set forth in this section.''.

(c) SUNSET OF THE ASSOCIATION'S CHARTER IF NO REORGANIZATION PLAN OCCURS.—Section 439 of the Higher Education Act of 1965 (20 U.S.C. 1087–2) is amended by adding at the end the following new subsections:

''(s) CHARTER SUNSET.—

''(1) APPLICATION OF PROVISIONS.—This subsection applies beginning 18 months and one day after the date of enactment of this subsection if no reorganization of the Association occurs in accordance with the provisions of section 440.

''(2) SUNSET PLAN.—

''(A) PLAN SUBMISSION BY THE ASSOCIATION.—Not later than July 1, 2007, the Association shall submit to the Secretary of the Treasury and to the Chairman and Ranking Member of the Committee on Labor and Human Resources of the Senate and the Chairman and Ranking Member of the Committee on Economic and Educational Opportunities of the House of Representatives, a detailed plan for the orderly winding up, by July 1, 2013, of business activities conducted pursuant to the charter set forth in this section. Such plan shall—

''(i) ensure that the Association will have adequate assets to transfer to a trust, as provided in this subsection, to ensure full payment of remaining obligations of the Association in accordance with the terms of such obligations;

''(ii) provide that all assets not used to pay liabilities shall be distributed to shareholders as provided in this subsection; and

''(iii) provide that the operations of the Association shall remain separate and distinct from that of any entity to which the assets of the Association are transferred.

''(B) AMENDMENT OF THE PLAN BY THE ASSOCIATION.—The Association shall from time to time amend such plan to reflect changed circumstances, and submit such amendments to the Secretary of the Treasury and to the Chairman and Ranking Minority Member of the Committee on Labor and Human Resources of the Senate and Chairman and Ranking Minority Member of the Committee on Economic and Educational Opportunities of the House of Representatives. In no case may any amendment extend the date for full implementation of the plan beyond the dissolution date provided in paragraph (3).

''(C) PLAN MONITORING.—The Secretary shall monitor the Association's compliance with the plan and shall continue to review the plan (including any amendments thereto).

''(D) AMENDMENT OF THE PLAN BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury may require the Association to amend the plan (including any amendments to the plan), if the Secretary of the Treasury deems such amendments necessary to ensure full payment of all obligations of the Association.

''(E) IMPLEMENTATION BY THE ASSOCIATION.—The Association shall promptly implement the plan (including any amendments to the plan, whether such amendments are made by the Association or are required to be made by the Secretary of the Treasury).

''(3) DISSOLUTION OF THE ASSOCIATION.—The Association shall dissolve and the Association's separate existence shall terminate on July 1, 2013, after discharge of all outstanding debt obligations and liquidation pursuant to this subsection. The Association may dissolve pursuant to this subsection prior to such date by notifying the Secretary of Education and the Secretary of the Treasury of the Association's intention to dissolve, unless within 60 days of receipt of such notice the Secretary of Education notifies the Association that the Association continues to be needed to serve as a lender of last resort pursuant to subsection (q) or continues to be needed to purchase loans under an agreement with the Secretary described in paragraph (4)(A). On the dissolution date, the Association shall take the following actions:

''(A) ESTABLISHMENT OF A TRUST.—The Association shall, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Secretary of the Treasury, the Association, and the appointed trustee, irrevocably transfer all remaining obligations of the Association to a trust and irrevocably deposit or cause to be deposited into such trust, to be held as trust funds solely for the benefit of holders of the remaining obligations, money or direct noncallable obligations of the United States or any agency thereof for which payment the full faith and credit of the United States is pledged, maturing as to principal and interest in such amounts and at such times as are determined by the Secretary of the Treasury to be sufficient, without consideration of any significant reinvestment of such interest to pay the principal of, and interest on, the remaining obligations in accordance with their terms.

''(B) USE OF TRUST ASSETS.—All money, obligations, or financial assets deposited into the trust pursuant to this subsection shall be applied by the trustee to the payment of the remaining obligations assumed by the trust. Upon the fulfillment of the trustee's duties under the trust, any remaining assets of the trust shall be transferred to the persons who, at the time of the dissolution, were the shareholders of the Association, or to the legal successors or assigns of such persons.

''(C) OBLIGATIONS NOT TRANSFERRED TO THE TRUST.—The Association shall make proper provision for all other obligations of the Association, including the repurchase or redemption, or the making of proper provision for the repurchase or redemption, of any preferred stock of the Association outstanding.

''(D) TRANSFER OF REMAINING ASSETS.—After compliance with subparagraphs (A) and (C), the Association shall transfer to the shareholders of the Association any remaining assets of the Association.

''(4) RESTRICTIONS RELATING TO WINDING UP.—

''(A) RESTRICTIONS ON NEW BUSINESS ACTIVITY OR ACQUISITION OF ASSETS BY THE ASSOCIATION.—

''(i) IN GENERAL.—Beginning on July 1, 2009, the Association shall not engage in any new business activities or acquire any additional program assets (including acquiring assets pursuant to contractual commitments) described in subsection (d) other than in connection with the Association—

''(I) serving as a lender of last resort pursuant to subsection (q); and

''(II) purchasing loans insured under this part, if the Secretary, with the approval of the Secretary of the Treasury, enters into an agreement with the Association for the continuation or resumption of the Association's secondary market purchase program because the Secretary determines there is inadequate liquidity for loans made under this part.

''(ii) AGREEMENT.—The Secretary is authorized to enter into an agreement described in subclause (II) of clause (i) with the Association covering such secondary market activities. Any agreement entered into under such subclause shall cover a period of 12 months, but may be renewed if the Secretary determines that liquidity remains inadequate. The fee provided under subsection (h)(7) shall not apply to loans acquired under any such agreement with the Secretary.

''(B) ISSUANCE OF DEBT OBLIGATIONS DURING THE WIND UP PERIOD; ATTRIBUTES OF DEBT OBLIGATIONS.—The Association shall not issue debt obligations which mature later than July 1, 2013, except in connection with serving as a lender of last resort pursuant to subsection (q) or with purchasing loans under an agreement with the Secretary as described in subparagraph (A). Nothing in this subsection shall modify the attributes accorded the debt obligations of the Association by this section, regardless of whether such debt obligations are transferred to a trust in accordance with paragraph (3).

''(C) USE OF ASSOCIATION NAME.—The Association may not transfer or permit the use of the name 'Student Loan Marketing Association', 'Sallie Mae', or any variation thereof, to or by any entity other than a subsidiary of the Association.''.

(d) REPEALS.—

(1) IN GENERAL.—Sections 439 of the Higher Education Act of 1965 (20 U.S.C. 1087–2) and 440 of such Act (as added by subsection (a) of this section) are repealed.

(2) EFFECTIVE DATE.—The repeals made by paragraph (1) shall be effective one year after—

(A) the dissolution date, as such term is defined in section 440(i)(2) of the Higher Education Act of 1965 (as added by subsection (a)), if a reorganization occurs in accordance with section 440 of such Act; or

(B) the date the Association is dissolved pursuant to section 439(s) of such Act (as added by subsection (c)), if a reorganization does not occur in accordance with section 440 of such Act.

(e) ASSOCIATION NAMES.—Upon dissolution in accordance with section 439 of the Higher Education Act of 1965 (20 U.S.C. 1087–2), the names ''Student Loan Marketing Association'', ''Sallie Mae'', and any variations thereof may not be used by any entity engaged in any business similar to the business conducted pursuant to section 439 of such Act (as such section was in effect on the date of enactment of this Act) without the approval of the Secretary of the Treasury.

SEC. 402. CONNIE LEE PRIVATIZATION.

(a) STATUS OF THE CORPORATION AND CORPORATE POWERS; OBLIGATIONS NOT FEDERALLY GUARANTEED.—

(1) STATUS OF THE CORPORATION.—The Corporation shall not be an agency, instrumentality, or establishment of the United States Government, nor a Government corporation, nor a Government controlled corporation, as such terms are defined in section 103 of title 5, United States Code. No action under section 1491 of title 28, United States Code (commonly known as the Tucker Act) shall be allowable against the United States based on the actions of the Corporation.

(2) CORPORATE POWERS.—The Corporation shall be subject to the provisions of this section, and, to the extent not inconsistent with this section, to the District of Columbia Business Corporation Act (or the comparable law of another State, if applicable). The Corporation shall have the powers conferred upon a corporation by the District of Columbia Business Corporation Act (or such other applicable State law) as from time to time in effect in order to conduct the Corporation's affairs as a private, for-profit corporation and to carry out the Corporation's purposes and activities incidental thereto. The Corporation shall have the power to enter into contracts, to execute instruments, to incur liabilities, to provide products and services, and to do all things as are necessary or incidental to the proper management of the Corporation's affairs and the efficient operation of a private, for-profit business.

(3) LIMITATION ON OWNERSHIP OF STOCK.—

(A) SECRETARY OF THE TREASURY.—The Secretary of the Treasury, in completing the sale of stock pursuant to subsection (c), may not sell or issue the stock held by the Secretary of Education to an agency, instrumentality, or establishment of the United States Government, or to a Government corporation or a Government controlled corporation, as such terms are defined in section 103 of title 5, United States Code, or to a government-sponsored enterprise as such term is defined in section 622 of title 2, United States Code.

(B) STUDENT LOAN MARKETING ASSOCIATION.—The Student Loan Marketing Association shall not increase its share of the ownership of the Corporation in excess of 42 percent of the shares of stock of the Corporation outstanding on the date of enactment of this Act. The Student Loan

Marketing Association shall not control the operation of the Corporation, except that the Student Loan Marketing Association may participate in the election of directors as a shareholder, and may continue to exercise the Student Loan Marketing Association's right to appoint directors under section 754 of the Higher Education Act of 1965 (20 U.S.C. 1132f–3) as long as that section is in effect.

(C) PROHIBITION.—Until such time as the Secretary of the Treasury sells the stock of the Corporation owned by the Secretary of Education pursuant to subsection (c), the Student Loan Marketing Association shall not provide financial support or guarantees to the Corporation.

(D) FINANCIAL SUPPORT OR GUARANTEES.—After the Secretary of the Treasury sells the stock of the Corporation owned by the Secretary of Education pursuant to subsection (c), the Student Loan Marketing Association may provide financial support or guarantees to the Corporation, if such support or guarantees are subject to terms and conditions that are no more advantageous to the Corporation than the terms and conditions the Student Loan Marketing Association provides to other entities, including, where applicable, other monoline financial guaranty corporations in which the Student Loan Marketing Association has no ownership interest.

(4) NO FEDERAL GUARANTEE.—

(A) OBLIGATIONS INSURED BY THE CORPORATION.—

(i) FULL FAITH AND CREDIT OF THE UNITED STATES.—No obligation that is insured, guaranteed, or otherwise backed by the Corporation shall be deemed to be an obligation that is guaranteed by the full faith and credit of the United States.

(ii) STUDENT LOAN MARKETING ASSOCIATION.—No obligation that is insured, guaranteed, or otherwise backed by the Corporation shall be deemed to be an obligation that is guaranteed by the Student Loan Marketing Association.

(iii) SPECIAL RULE.—This paragraph shall not affect the determination of whether such obligation is guaranteed for purposes of Federal income taxes.

(B) SECURITIES OFFERED BY THE CORPORATION.—No debt or equity securities of the Corporation shall be deemed to be guaranteed by the full faith and credit of the United States.

(5) DEFINITION.—The term ''Corporation'' as used in this section means the College Construction Loan Insurance Association as in existence on the day before the date of enactment of this Act, and any successor corporation.

(b) RELATED PRIVATIZATION REQUIREMENTS.—

(1) NOTICE REQUIREMENTS.—

(A) IN GENERAL.—During the six-year period following the date of enactment of this Act, the Corporation shall include, in each of the Corporation's contracts for the insurance, guarantee, or reinsurance of obligations, and in each document offering debt or equity securities of the Corporation, a prominent statement providing notice that—

(i) such obligations or such securities, as the case may be, are not obligations of the United States, nor are such obligations or such securities, as the case may be, guaranteed in any way by the full faith and credit of the United States; and

(ii) the Corporation is not an instrumentality of the United States.

(B) ADDITIONAL NOTICE.—During the five-year period following the sale of stock pursuant to subsection (c)(1), in addition to the notice requirements in subparagraph (A), the Corporation shall include, in each of the contracts and documents referred to in such subparagraph, a prominent statement providing notice that the United States is not an investor in the Corporation.

(2) CORPORATE CHARTER.—The Corporation's charter shall be amended as necessary and without delay to conform to the requirements of this section.

(3) CORPORATE NAME.—The name of the Corporation, or of any direct or indirect subsidiary thereof, may not contain the term ''College Construction Loan Insurance Association'', or any substantially similar variation thereof.

(4) ARTICLES OF INCORPORATION.—The Corporation shall amend the Corporation's articles of incorporation without delay to reflect that one of the purposes of the Corporation shall be to guarantee, insure, and reinsure bonds, leases, and other evidences of debt of educational institutions, including Historically Black Colleges and Universities and other academic institutions which are ranked in the lower investment grade category using a nationally recognized credit rating system.

(5) REQUIREMENTS UNTIL STOCK SALE.—Notwithstanding subsection (d), the requirements of sections 754 and 760 of the Higher Education Act of 1965 (20 U.S.C. 1132f–3 and 1132f–9), as such sections were in effect on the day before the date of enactment of this Act, shall continue to be effective until the day immediately following the date of closing of the purchase of the Secretary of Education's stock (or the date of closing of the final purchase, in the case of multiple transactions) pursuant to subsection (c)(1) of this Act.

(c) SALE OF FEDERALLY OWNED STOCK.—

(1) SALE OF STOCK REQUIRED.—The Secretary of the Treasury shall sell, pursuant to section 324 of title 31, United States Code, the stock of the Corporation owned by the Secretary of Education as soon as possible after the date of enactment of this Act, but not later than six months after such date.

(2) PURCHASE BY THE CORPORATION.—In the event that the Secretary of the Treasury is unable to sell the stock, or any portion thereof, at a price acceptable to the Secretary of Education and the Secretary of the Treasury, the Corporation shall purchase, within six months after the date of enactment of this Act, such stock at a price determined by the Secretary of the Treasury and acceptable to the Corporation based on the independent appraisal of one or more nationally recognized financial firms, except that such price shall not exceed the value of the Secretary of Education's stock as determined by the Congressional Budget Office in House Report 104–153, dated June 22, 1995.

(3) REIMBURSEMENT OF COSTS OF SALE.—The Secretary of the Treasury shall be reimbursed from the proceeds of the sale of the stock under this subsection for all reasonable costs related to such sale, including all reasonable expenses relating to one or more independent appraisals under this subsection.

(4) ASSISTANCE BY THE CORPORATION.—The Corporation shall provide such assistance as the Secretary of the Treasury and the Secretary of Education may require to facilitate the sale of the stock under this subsection.

(d) REPEAL OF STATUTORY RESTRICTIONS AND RELATED PROVISIONS.—Part D of title VII of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is repealed.

SEC. 403. ELIGIBLE INSTITUTION.

(a) AMENDMENTS.—Section 481(b) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)) is amended by inserting after the end of the first sentence the following new sentence: ''For the purposes of determining whether an institution meets the requirements of clause (6), the Secretary shall not consider the financial information of any institution for a fiscal year that began on or before April 30, 1994.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to any determination made on or after July 1, 1994, by the Secretary of Education pursuant to section 481(b)(6) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)(6)).

TITLE V—REPEALS AND CONFORMING AMENDMENTS

SEC. 501. REPEALS.

(a) GENERAL IMMEDIATE REPEALS.—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95–250 (92 Stat. 172).

(3) The Library Services and Construction Act (20 U.S.C. 351 et seq.).

(4) Part F of the Technology for Education Act of 1994 (contained in title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7001 et seq.)).

(5) The School Dropout Assistance Act (part C of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7261 et seq.)).

(6) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(7) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(8) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), except subtitle B and section 738 of such title (42 U.S.C. 11431 et seq. and 11448).

(9) Section 201 of the National Literacy Act of 1991 (20 U.S.C. 1211–1).

(10) Section 304 of the National Literacy Act of 1991 (20 U.S.C. 1213c note).

(b) IMMEDIATE REPEAL OF HIGHER EDUCATION ACT OF 1965 PROVISIONS.—The following provisions of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) are repealed:

(1) Part B of title I (20 U.S.C. 1011 et seq.), relating to articulation agreements.

(2) Part C of title I (20 U.S.C. 1015 et seq.), relating to access and equity to education for all Americans through telecommunications.

(3) Title II (20 U.S.C. 1021 et seq.), relating to academic libraries and information services.

(4) Chapter 3 of subpart 2 of part A of title IV (20 U.S.C. 1070a–31 et seq.), relating to presidential access scholarships.

(5) Chapter 4 of subpart 2 of part A of title IV (20 U.S.C. 1070a–41 et seq.), relating to model program community partnerships and counseling grants.

(6) Section 409B (20 U.S.C. 1070a–52), relating to an early awareness information program.

(7) Chapter 8 of subpart 2 of part A of title IV (20 U.S.C. 1070a–81), relating to technical assistance for teachers and counselors.

(8) Subpart 8 of part A of title IV (20 U.S.C. 1070f), relating to special child care services for disadvantaged college students.

(9) Section 428J (20 U.S.C. 1078–10), relating to loan forgiveness for teachers, individuals performing national community service and nurses.

(10) Section 486 (20 U.S.C. 1093), relating to training in financial aid services.

(11) Subpart 1 of part H of title IV (20 U.S.C. 1099a et seq.) relating to State postsecondary review programs.

(12) Part A of title V (20 U.S.C. 1102 et seq.), relating to State and local programs for teacher excellence.

(13) Part B of title V (20 U.S.C. 1103 et seq.), relating to national teacher academies.

(14) Subpart 1 of part C of title V (20 U.S.C. 1104 et seq.), relating to Paul Douglas teacher scholarships.

(15) Subpart 3 of part C of title V (20 U.S.C. 1106 et seq.), relating to the teacher corps.

(16) Subpart 3 of part D of title V (20 U.S.C. 1109 et seq.), relating to class size demonstration grants.

(17) Subpart 4 of part D of title V (20 U.S.C. 1110 et seq.), relating to middle school teaching demonstration programs.

(18) Subpart 1 of part E of title V (20 U.S.C. 1111 et seq.), relating to new teaching careers.

(19) Subpart 1 of part F of title V (20 U.S.C. 1113), relating to the national mini corps programs.

(20) Section 586 (20 U.S.C. 1114), relating to demonstration grants for critical language and area studies.

(21) Section 587 (20 U.S.C. 1114a), relating to development of foreign languages and cultures instructional materials.

(22) Subpart 3 of part F of title V (20 U.S.C. 1115), relating to small State teaching initiatives.

(23) Subpart 4 of part F of title V (20 U.S.C. 1116), relating to faculty development grants.

(24) Section 597 and subsection (b) of section 599 (20 U.S.C. 1117a and 1117c), relating to early childhood staff training and professional enhancement.

(25) Section 605 (20 U.S.C. 1124a), relating to intensive summer language institutes.

(26) Section 607 (20 U.S.C. 1125a), relating to periodicals and other research material published outside the United States.

(27) Part A of title VII (20 U.S.C. 1132b et seq.), relating to improvement of academic and library facilities.

(28) Title VIII (20 U.S.C. 1133 et seq.), relating to cooperative education programs.

(29) Part A of title IX (20 U.S.C. 1134a et seq.), relating to grants to institutions and consortia to encourage women and minority participation in graduate education.

(30) Part B of title IX (20 U.S.C. 1134d et seq.), relating to the Patricia Roberts Harris fellowship program.

(31) Part E of title IX (20 U.S.C. 1134r et seq.), relating to the faculty development fellowship program.

(32) Part F of title IX (20 U.S.C. 1134s et seq.), relating to assistance for training in the legal profession.

(33) Subpart 2 of part B of title X (20 U.S.C. 1135c et seq.), relating to science and engineering access programs.

(34) Part C of title X (20 U.S.C. 1135e et seq.), relating to women and minorities science and engineering outreach demonstration programs.

(35) Part D of title X (20 U.S.C. 1135f), relating to the Dwight D. Eisenhower leadership program.

(c) IMMEDIATE REPEAL OF EDUCATION AMENDMENTS OF 1986 PROVISIONS.—The following provisions of the Higher Education Amendments of 1986 are repealed:

(1) Part D of title XIII (20 U.S.C. 1029 note), relating to library resources.

(2) Part E of title XIII (20 U.S.C. 1221–1 note), relating to a National Academy of Science study.

(3) Part B of title XV (20 U.S.C. 4441 et seq.), relating to Native Hawaiian and Alaska Native culture and art development.

(d) IMMEDIATE REPEAL OF EDUCATION AMENDMENTS OF 1974 PROVISION.—Section 519 of the Education Amendments of 1974 (20 U.S.C. 1221i) is repealed.

(e) IMMEDIATE REPEAL OF EDUCATION AMENDMENTS OF 1992 PROVISIONS.—The following provisions of the Higher Education Amendments of 1992 are repealed:

(1) Part F of title XIII (25 U.S.C. 3351 et seq.), relating to American Indian postsecondary economic development scholarships.

(2) Part G of title XIII (25 U.S.C. 3371), relating to American Indian teacher training.

(3) Section 1406 (20 U.S.C. 1221e–1 note), relating to a national survey of factors associated with participation.

(4) Section 1409 (20 U.S.C. 1132a note), relating to a study of environmental hazards in institutions of higher education.

(5) Section 1412 (20 U.S.C. 1101 note), relating to a national job bank for teacher recruitment.

(6) Part B of title XV (20 U.S.C. 1452 note), relating to a national clearinghouse for postsecondary education materials.

(7) Part C of title XV (20 U.S.C. 1101 note), relating to a school-based decisionmakers demonstration program.

(8) Part D of title XV (20 U.S.C. 1145h note), relating to grants for sexual offenses education.

(9) Part E of title XV (20 U.S.C. 1070 note), relating to Olympic scholarships.

(10) Part G of title XV (20 U.S.C. 1070a–11 note), relating to advanced placement fee payment programs.

(f) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(2) The Adult Education Act (20 U.S.C. 1201 et seq.).

(3) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(4) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

SEC. 502. CONFORMING AMENDMENTS.

(a) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(b) REFERENCES TO TITLE II OF PUBLIC LAW 95–250.—Section 103 of Public Law 95–250 (16 U.S.C. 79l) is amended—

(1) by striking the second sentence of subsection (a); and

(2) by striking the second sentence of subsection (b).

(c) REFERENCES TO LIBRARY SERVICES AND CONSTRUCTION ACT.—

(1) TECHNOLOGY FOR EDUCATION ACT OF 1994.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(10) by striking ''section 3 of the Library Services and Construction Act;'' and inserting ''section 4 of the Workforce and Career Development Act of 1996;''.

(2) OMNIBUS EDUCATION RECONCILIATION ACT OF 1981.—Section 528 of the Omnibus Education Reconciliation Act of 1981 (20 U.S.C. 3489) is amended—

(A) by striking paragraph (12); and

(B) by redesignating paragraphs (13) through (15) as paragraphs (12) through (14), respectively.

(3) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Section 3113(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6813(10)) is amended by striking ''section 3 of the Library Services and Construction Act'' and inserting ''section 213 of the Library Services and Technology Act''.

(4) COMMUNITY IMPROVEMENT VOLUNTEER ACT OF 1994.—Section 7305 of the Community Improvement Volunteer Act of 1994 (40 U.S.C. 276d–3) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

(5) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking ''Library Services and Construction Act;''.

(6) DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966.—Section 208(2) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338(2)) is amended by striking ''title II of the Library Services and Construction Act;''.

(7) PUBLIC LAW 87–688.—Subsection (c) of the first section of the Act entitled ''An Act to extend the application of certain laws to American Samoa'', approved September 25, 1962 (48 U.S.C. 1666(c)) is amended by striking ''the Library Services Act (70 Stat. 293; 20 U.S.C. 351 et seq.),''.

(8) COMMUNICATIONS ACT OF 1934.—Paragraph (4) of section 254(h) of the Communications Act of 1934 (47 U.S.C. 254(h)(4)) is amended by striking ''library not eligible for participation in State-based plans for funds under title III of the Library Services and Construction Act (20 U.S.C. 335c et seq.)'' and inserting ''library or library consortium not eligible for assistance from a State library administrative agency under the Library Services and Technology Act''.

(d) REFERENCE TO SCHOOL DROPOUT ASSISTANCE ACT.—Section 441 of the General Education Provisions Act (42 U.S.C. 1232d), as amended by section 261(f) of the Improving America's Schools Act of 1994, is further amended by striking ''(subject to the provisions of part C of title V of the Elementary and Secondary Education Act of 1965)''.

(e) REFERENCES TO TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(1) TABLE OF CONTENTS.—The table of contents of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 1142 et seq.) is amended by striking the items relating to title VII of such Act, except subtitle B and section 738 of such title.

(2) TITLE 31, UNITED STATES CODE.—Section 6703(a) of title 31, United States Code, is amended—

(A) by striking paragraph (15); and

(B) by redesignating paragraphs (16) through (19) as paragraphs (15) through (18), respectively.

(f) REFERENCES TO INSTITUTE OF MUSEUM SERVICES.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking the following:

''Director of the Institute of Museum Services.'' and inserting the following:

''Director of the Institute of Museum and Library Services.''.

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Section 301 of the Department of Education Organization Act (20 U.S.C. 3441) is amended—

(A) in subsection (a)—

(i) by striking paragraph (5); and

(ii) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(B) in subsection (b)—

(i) by striking paragraph (4); and

(ii) by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(3) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) Sections 2101(b), 2205(c)(1)(D), 2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi), and subsections (d)(6) and (e)(2) of section 10401 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621(b), 6645(c)(1)(D), 6648(d)(1)(H)(v), 6649(b)(1)(C)(vi), and 8091 (d)(6) and (e)(2)) are amended by striking ''the Institute of Museum Services'' and inserting ''the Institute of Museum and Library Services''.

(B) Section 10412(b) of such Act (20 U.S.C. 8102(b)) is amended—

(i) in paragraph (2), by striking ''the Director of the Institute of Museum Services,'' and inserting ''the Director of the Institute of Museum and Library Services,''; and

(ii) in paragraph (7), by striking ''the Director of the Institute of Museum Services,'' and inserting ''the Director of the Institute of Museum and Library Services,''.

(C) Section 10414(a)(2)(B) of such Act (20 U.S.C. 8104(a)(2)(B)) is amended by striking clause (iii) and inserting the following new clause:

''(iii) the Institute of Museum and Library Services.''.

(g) REFERENCES TO OFFICE OF LIBRARIES AND LEARNING RESOURCES.—Section 413(b)(1) of the Department of Education Organization Act (20 U.S.C. 3473(b)(1)) is amended—

(1) by striking subparagraph (H); and

(2) by redesignating subparagraphs (I) through (M) as subparagraphs (H) through (L), respectively.

(h) REFERENCES TO STATE POSTSECONDARY REVIEW ENTITY PROGRAMS.—The Higher Education Act of 1965 is amended—

(1) in section 356(b)(2) (20 U.S.C. 10696(b)), by striking ''II,'';

(2) in section 453(c)(2) (20 U.S.C. 1087c(c)(2))—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (E) through (G), respectively;

(3) in section 487(a)(3) (20 U.S.C. 1094(a)(3)), by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(4) in section 487(a)(15) (20 U.S.C. 1094(a)(15)), by striking ''the Secretary of Veterans Affairs,

and State review entities under subpart 1 of part H'' and inserting ''and the Secretary of Veterans Affairs'';

(5) in section 487(a)(21) (20 U.S.C. 1094(a)(21)), by striking '', State postsecondary review entities,'';

(6) in section 487(c)(1)(A)(i) (20 U.S.C. 1094(c)(1)(A)(i)), by striking ''State agencies, and the State review entities referred to in subpart 1 of part H'' and inserting ''and State agencies'';

(7) in section 487(c)(4) (20 U.S.C. 1094(c)(4)), by striking '', after consultation with each State review entity designated under subpart 1 of part H,'';

(8) in section 487(c)(5) (20 U.S.C. 1094(c)(5)), by striking ''State review entities designated under subpart 1 of part H,'';

(9) in section 496(a)(7) (20 U.S.C. 1099b(a)(7)), by striking ''and the appropriate State postsecondary review entity'';

(10) in section 496(a)(8) (20 U.S.C. 1099b(a)(8)), by striking ''and the State postsecondary review entity of the State in which the institution of higher education is located'';

(11) in section 498(g)(2) (20 U.S.C. 1099c(g)(2)), by striking everything after the first sentence;

(12) in section 498A(a)(2)(D) (20 U.S.C. 1099c–1(a)(2)(D)), by striking ''by the appropriate State postsecondary review entity designated under subpart 1 of this part or'';

(13) in section 498A(a)(2) (20 U.S.C. 1099c–1(a)(2))—

(A) by inserting ''and'' after the semicolon at the end of subparagraph (E);

(B) by striking subparagraph (F); and

(C) by redesignating subparagraph (G) as subparagraph (F); and

(14) in section 498A(a)(3) (20 U.S.C. 1099c–1(a)(3))—

(A) by inserting ''and'' after the semicolon at the end of subparagraph (C);

(B) by striking ''; and'' at the end of subparagraph (D) and inserting a period; and

(C) by striking subparagraph (E).

(i) REFERENCES TO CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(1) IMMIGRATION AND NATIONALITY ACT.—Section 245A(h)(4)(C) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by striking ''Vocational Education Act of 1963'' and inserting ''Workforce and Career Development Act of 1996''.

(2) NATIONAL DEFENSE AUTHORIZATION ACT.—Section 4461 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(3) INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Section 626(g) of the Individuals with Disabilities Education Act (20 U.S.C. 1425(g)) is amended—

(A) by striking ''1973,'' and inserting ''1973 and''; and

(B) by striking '', and the Carl D. Perkins Vocational and Applied Technology Education Act''.

(4) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(A) in section 1114(b)(2)(C)(v) (20 U.S.C. 6314(b)(2)(C)(v)), by striking ''Carl D. Perkins Vocational and Applied Technology Education Act,'' and inserting ''Workforce and Career Development Act of 1996'';

(B) in section 9115(b)(5) (20 U.S.C. 7815(b)(5)), by striking ''Carl D. Perkins Vocational and Applied Technology Education Act'' and inserting ''Workforce and Career Development Act of 1996'';

(C) in section 14302(a)(2) (20 U.S.C. 8852(a)(2))—

(i) by striking subparagraph (C); and

(ii) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(D) in the matter preceding subparagraph (A) of section 14307(a)(1) (20 U.S.C. 8857(a)(1)), by striking ''Carl D. Perkins Vocational and Applied Technology Education Act'' and inserting ''Workforce and Career Development Act of 1996''.

(5) EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.—Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''(20 U.S.C. 2397h(3)'' and inserting '', as such section was in effect on the day preceding the date of enactment of the Workforce and Career Development Act of 1996''.

(6) IMPROVING AMERICA'S SCHOOLS ACT OF 1994.—Section 563 of the Improving America's Schools Act of 1994 (20 U.S.C. 6301 note) is amended by striking ''the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)'' and inserting ''July 1, 1998''.

(7) INTERNAL REVENUE CODE OF 1986.—Section 135(c)(3)(B) of the Internal Revenue Code of 1986 (26 U.S.C. 135(c)(3)(B)) is amended—

(A) by striking ''subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act'' and inserting ''subparagraph (C) or (D) of section 4(4) of the Workforce and Career Development Act of 1996''; and

(B) by striking ''any State (as defined in section 521(27) of such Act)'' and inserting ''any State or outlying area (as the terms 'State' and 'outlying area' are defined in section 4 of such Act)''.

(8) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) (as amended by subsection (c)(5)) is further amended by striking ''Carl D. Perkins Vocational Education Act'' and inserting ''Workforce and Career Development Act of 1996''.

(9) VOCATIONAL EDUCATION AMENDMENTS OF 1968.—Section 104 of the Vocational Education Amendments of 1968 (82 Stat. 1091) is amended by striking ''section 3 of the Carl D. Perkins Vocational Education Act'' and inserting ''the Workforce and Career Development Act of 1996''.

(10) OLDER AMERICANS ACT OF 1965.—The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended—

(A) in section 502(b)(1)(N)(i) (42 U.S.C. 3056(b)(1)(N)(i)), by striking ''or the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)''; and

(B) in section 505(d)(2) (42 U.S.C. 3056c(d)(2))—

(i) by striking ''the Secretary of Education'' and inserting ''the Secretaries (as defined in section 4 of the Workforce and Career Development Act of 1996)'';

(ii) by striking ''employment and training programs'' and inserting ''workforce and career development activities''; and

(iii) by striking ''the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)'' and inserting ''the Workforce and Career Development Act of 1996''.

(j) REFERENCES TO ADULT EDUCATION ACT.—

(1) REFUGEE EDUCATION ASSISTANCE ACT.—Subsection (b) of section 402 of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is repealed.

(2) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) SECTION 1202 OF ESEA.—Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking ''Adult Education Act'' and inserting ''Workforce and Career Development Act of 1996''.

(B) SECTION 1205 OF ESEA.—Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking ''Adult Education Act'' and inserting ''Workforce and Career Development Act of 1996''.

(C) SECTION 1206 OF ESEA.—Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking ''an adult basic education program under the Adult Education Act'' and inserting ''adult education and literacy activities under the Workforce and Career Development Act of 1996''.

(D) SECTION 3113 OF ESEA.—Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking ''section 312 of the Adult Education Act'' and inserting ''section 4 of the Workforce and Career Development Act of 1996''.

(E) SECTION 9161 OF ESEA.—Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking ''section 312(2) of the Adult Education Act'' and inserting ''section 4 of the Workforce and Career Development Act of 1996''.

(3) OLDER AMERICANS ACT OF 1965.—Section 203(b)(8) of the Older Americans Act of 1965 (42 U.S.C. 3013(b)(8)) is amended by striking ''Adult Education Act'' and inserting ''Workforce and Career Development Act of 1996''.

(k) REFERENCES TO SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.—

(1) SECTION 1114 OF ESEA.—Section 1114(b)(2)(C)(v) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6314(b)(2)(C)(v)) (as amended in subsection (i)(4)(A)) is further amended by striking ''the School-to-Work Opportunities Act of 1994,''.

(2) SECTION 5204 OF ESEA.—Section 5204 of such Act (20 U.S.C. 7234) is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(3) SECTION 9115 OF ESEA.—Section 9115(b)(5) of such Act (20 U.S.C. 7815(b)(5)) (as amended in subsection (i)(4)(B)) is further amended by striking ''the School-to-Work Opportunities Act of 1994 and''.

(4) SECTION 14302 OF ESEA.—Section 14302(a)(2) of such Act (20 U.S.C. 8852(a)(2)) (as amended in subsection (i)(4)(C)) is further amended—

(A) in subparagraph (C) (as redesignated in such subsection), by striking the semicolon and inserting ''; and'';

(B) by striking subparagraph (D) (as redesignated in such subsection); and

(C) by redesignating subparagraph (E) (as redesignated in such subsection) as subparagraph (D).

(5) SECTION 14307 OF ESEA.—Section 14307(a)(1) of such Act (20 U.S.C. 8857(a)(1)) (as amended in subsection (i)(4)(D)) is further amended by striking '', the School-to-Work Opportunities Act of 1994,''.

(6) SECTION 14701 OF ESEA.—Section 14701(b)(1) of such Act (20 U.S.C. 8941(b)(1)) is amended—

(A) in subparagraph (B)(ii), by striking '', and the School-to-Work Opportunities Act of 1994, and be coordinated with evaluations of such Acts'' and inserting ''and be coordinated with evaluations of such Act''; and

(B) in subparagraph (C)(ii), by striking '', the School-to-Work Opportunities Act of 1994,''.

(l) REFERENCES TO JOB TRAINING PARTNERSHIP ACT.—

(1) TITLE 5, UNITED STATES CODE.—Section 3502(d) of title 5, United States Code, is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by striking clause (i) and inserting the following:

''(i) the Governor of the appropriate State; and''; and

(ii) in subparagraph (B)(iii), by striking ''other services under the Job Training Partnership Act'' and inserting ''other workforce and career development activities under the Workforce and Career Development Act of 1996''; and

(B) in paragraph (4), in the second sentence, by striking ''Secretary of Labor on matters relating to the Job Training Partnership Act'' and inserting ''the Secretaries (as defined in section 4 of the Workforce and Career Development Act of 1996) on matters relating to such Act''.

(2) FOOD STAMP ACT OF 1977.—

(A) SECTION 5.—Section 5(l) of the Food Stamp Act of 1977 (7 U.S.C. 2014(l)) is amended by striking ''Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)), earnings to individuals participating in on-the-job training programs under section 204(b)(1)(C) or section 264(c)(1)(A) of the Job Training Partnership Act'' and inserting ''Earnings to individuals participating in on-the-job training under the Workforce and Career Development Act of 1996''.

(B) SECTION 6.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(i) in subsection (d)(4)(N), by striking ''the State public employment offices and agencies operating programs under the Job Training Partnership Act'' and inserting ''the State public employment offices and other State agencies and providers providing employment and training activities under the Workforce and Career Development Act of 1996''; and

(ii) in subsection (e)(3), by striking subparagraph (A) and inserting the following:

''(A) a program relating to employment and training activities carried out under the Workforce and Career Development Act of 1996;''.

(C) SECTION 17.—The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended—

(i) by striking ''to accept an offer of employment from a political subdivision or a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 812),'' and inserting ''to accept an offer of employment from a service provider carrying out employment and training activities through a program carried out under the Workforce and Career Development Act of 1996,''; and

(ii) by striking '': Provided, That all of the political subdivision's'' and all that follows and inserting '', if all of the jobs supported under the program have been made available to participants in the program before the service provider providing the jobs extends an offer of employment under this paragraph, and if the service provider, in employing the person, complies with the requirements of Federal law that relate to the program.''.

(3) IMMIGRATION AND NATIONALITY ACT.—Section 245A(h)(4)(F) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(F)) is amended by striking ''The Job Training Partnership Act.'' and inserting ''The Workforce and Career Development Act of 1996.''.

(4) REFUGEE EDUCATION ASSISTANCE ACT OF 1980.—Section 402(a)(4) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking ''the Comprehensive Employment and Training Act of 1973'' and inserting ''the Workforce and Career Development Act of 1996''.

(5) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(A) SECTION 3161.—Section 3161(c)(6) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(6)) is amended by striking subparagraph (A) and inserting the following:

''(A) programs carried out by the Secretaries (as defined in section 4 of the Workforce and Career Development Act of 1996) under such Act;''.

(B) SECTION 4461.—Section 4461(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking ''The Job Training Partnership Act (29 U.S.C. 1501 et seq.).'' and inserting ''The Workforce and Career Development Act of 1996.''.

(C) SECTION 4471.—Section 4471 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 2501 note) is amended—

(i) in subsection (d)(2), by striking ''the State dislocated'' and all that follows through ''and the chief'' and inserting ''the Governor of the appropriate State and the chief'';

(ii) in subsection (e)—

(I) in the first sentence, by striking ''for training, adjustment assistance, and employment services'' and all that follows through ''except where'' and inserting ''to participate in employment and training activities carried out under the Workforce and Career Development Act of 1996, except in a case in which''; and

(II) by striking the second sentence; and

(iii) in subsection (f)—

(I) in paragraph (3)—

(aa) in subparagraph (B), by striking ''the State dislocated'' and all that follows through ''and the chief'' and inserting ''the Governor of the appropriate State and the chief''; and

(bb) in subparagraph (C), by striking ''grantee under section 325(a) or 325A(a)'' and all that follows through ''employment services'' and inserting ''recipient of assistance under the Workforce and Career Development Act of 1996 providing employment and training activities''; and

(II) in paragraph (4), by striking ''for training,'' and all that follows through ''beginning'' and inserting ''to participate in employment and training activities under the Workforce and Career Development Act of 1996 beginning''.

(D) SECTION 4492.—Section 4492(b) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce and Career Development Act of 1996''.

(6) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991.—Section 4003(5)(C) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2391 note) is amended by inserting before the period the following: '', as in effect on the day before the date of the enactment of the Workforce and Career Development Act of 1996''.

(7) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994.—Section 1333(c)(2)(B) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2701 note) is amended by striking ''Private industry councils (as described in section 102 of the Job Training Partnership Act (29 U.S.C. 1512)).'' and inserting ''Local workforce development boards established under section 108 of the Workforce and Career Development Act of 1996.''.

(8) SMALL BUSINESS ACT.—The fourth sentence of section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)) is amended by striking ''the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''the Workforce and Career Development Act of 1996''.

(9) EMPLOYMENT ACT OF 1946.—Section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)) is amended by striking ''and include these in the annual Employment and Training Report of the President required under section 705(a) of the Comprehensive Employment and Training Act of 1973 (hereinafter in this Act referred to as 'CETA')'' and inserting ''and prepare and submit to the President an annual report containing the recommendations''.

(10) FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978.—

(A) SECTION 206.—Section 206 of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3116) is amended—

(i) in subsection (b)—

(I) in the matter preceding paragraph (1), by striking ''CETA'' and inserting ''the Workforce and Career Development Act of 1996''; and

(II) in paragraph (1), by striking ''(including use of section 110 of CETA when necessary)''; and

(ii) in subsection (c)(1), by striking ''CETA'' and inserting ''activities carried out under the Workforce and Career Development Act of 1996''.

(B) SECTION 401.—Section 401(d) of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3151(d)) is amended by striking ''include, in the annual Employment and Training Report of the President provided under section 705(a) of CETA,'' and inserting ''include, in the annual report referred to in section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)),''.

(11) TITLE 18, UNITED STATES CODE.—Subsections (a), (b), and (c) of section 665 of title 18, United States Code are amended by striking ''the Comprehensive Employment and Training Act or the Job Training Partnership Act'' and inserting ''the Workforce and Career Development Act of 1996''.

(12) TRADE ACT OF 1974.—Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended by striking ''under title III of the Job Training Partnership Act'' and inserting ''made available under the Workforce and Career Development Act of 1996''.

(13) HIGHER EDUCATION ACT.—Section 480(b)(14) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(b)(14)) is amended by striking ''Job Training Partnership Act noneducational benefits'' and inserting ''benefits received through participation in employment and training activities under the Workforce and Career Development Act of 1996''.

(14) INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Section 626 of the Individuals with Disabilities Education Act (20 U.S.C. 1425) is amended—

(A) in the first sentence of subsection (a), by striking ''(including the State job training coordinating councils and service delivery area administrative entities established under the Job Training Partnership Act)'' and inserting ''(including the individuals and entities participating in the State collaborative process under subsection (a) or (b) of section 105 of the Workforce and Career Development Act of 1996 and local workforce development boards established under section 108 of such Act)'';

(B) in subsection (e)—

(i) in paragraphs (3)(C) and (4)(A)(iii), by striking ''local Private Industry Councils (PICS) authorized by the Job Training Partnership Act (JTPA),'' and inserting ''local workforce development boards established under section 108 of the Workforce and Career Development Act of 1996,''; and

(ii) in clauses (iii), (iv), (v), and (vii) of paragraph (4)(B), by striking ''PICS authorized by the JTPA'' and inserting ''local workforce development boards established under section 108 of the Workforce and Career Development Act of 1996''; and

(C) in subsection (g) (as amended by subsection (i)(3)), by striking ''the Job Training Partnership Act (JTPA)'' and inserting ''the Workforce and Career Development Act of 1996''.

(15) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Subsection (a) of section 302 of the Department of Education Organization Act (20 U.S.C. 3443(a)) (as redesignated in section 271(a)(2) of the Improving America's Schools Act of 1994) is amended by striking ''under section 303(c)(2) of the Comprehensive Employment and Training Act'' and inserting ''relating to such education''.

(16) NATIONAL SKILL STANDARDS ACT OF 1994.—

(A) SECTION 504.—Section 504(c)(3) of the National Skill Standards Act of 1994 (20 U.S.C. 5934(c)(3)) is amended by striking ''the Capacity Building and Information and Dissemination Network established under section 453(b) of the Job Training Partnership Act (29 U.S.C. 1733(b)) and''.

(B) SECTION 508.—Section 508(1) of the National Skill Standards Act of 1994 (20 U.S.C. 5938(1)) is amended to read as follows:

''(1) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization of demonstrated effectiveness that is representative of a community or a significant segment of a community and that provides workforce and career development activities, as defined in section 4 of the Workforce and Career Development Act of 1996.''.

(17) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) SECTION 1205.—Section 1205(8)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6365(8)(B)) (as amended by subsection (j)(2)(B)) is further amended by striking '', the Individuals with Disabilities Education Act, and the Job Training Partnership Act'' and inserting ''and the Individuals with Disabilities Education Act''.

(B) SECTION 1414.—Section 1414(c)(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6434(c)(8)) is amended by striking ''programs under the Job Training Partnership Act,'' and inserting ''activities under the Workforce and Career Development Act of 1996,''.

(C) SECTION 1423.—Section 1423(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6453(9)) is amended by striking ''programs under the Job Training and Partnership Act'' and inserting ''activities under the Workforce and Career Development Act of 1996''.

(D) SECTION 1425.—Section 1425(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6455(9)) is amended by striking '', such as funds under the Job Training Partnership Act,'' and inserting '', such as funds made available under the Workforce and Career Development Act of 1996,''.

(18) FREEDOM SUPPORT ACT.—The last sentence of section 505 of the FREEDOM Support Act (22 U.S.C. 5855) is amended by striking '', through the Defense Conversion'' and all that follows through ''or through'' and inserting ''or through''.

(19) INTERNAL REVENUE CODE OF 1986.—

(A) SECTION 42.—Section 42(i)(3)(D)(i)(II) of the Internal Revenue Code of 1986 is amended by striking ''assistance under'' and all that follows through ''or under'' and inserting ''assistance under the Workforce and Career Development Act of 1996 or under''.

(B) SECTION 51.—Section 51(d) of the Internal Revenue Code of 1986 is amended by striking paragraph (10).

(C) SECTION 6334.—Section 6334(d)(12) of the Internal Revenue Code of 1986 is amended to read as follows:

''(12) ASSISTANCE UNDER THE WORKFORCE AND CAREER DEVELOPMENT ACT OF 1996.—Any amount payable to a participant in workforce and career development activities carried out under the Workforce and Career Development Act of 1996 from funds appropriated under such Act.''.

(20) EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974.—

(A) SECTION 204.—Section 204(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended by striking ''designate as an area'' and all that follows and inserting ''designate as an area under this section an area that is a local workforce development area under the Workforce and Career Development Act of 1996.''.

(B) SECTION 223.—Section 223 of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended—

(i) in paragraph (3), by striking ''assistance provided'' and all that follows and inserting ''assistance provided under the Workforce and Career Development Act of 1996;''; and

(ii) in paragraph (4), by striking ''funds provided'' and all that follows and inserting ''funds provided under the Workforce and Career Development Act of 1996;''.

(21) REHABILITATION ACT.—Section 612(b) of the Rehabilitation Act of 1973 (29 U.S.C. 795a(b)) is amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce and Career Development Act of 1996''.

(22) JOB TRAINING REFORM AMENDMENTS OF 1992.—Section 701 of the Job Training Reform Amendments of 1992 (29 U.S.C. 1501 note) is repealed.

(23) PUBLIC LAW 98–524.—Section 7 of Public Law 98–524 (29 U.S.C. 1551 note) is repealed.

(24) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402 of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended—

(A) in subsection (a), by striking ''title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.)'' and inserting ''the Workforce and Career Development Act of 1996'';

(B) in subsection (c), by striking ''Training, in consultation with the office designated or created under section 322(b) of the Job Training Partnership Act,'' and inserting ''Training''; and

(C) in subsection (d)—

(i) in paragraph (1), by striking ''under—'' and all that follows through ''the Veterans'' and inserting ''under the Veterans''''; and

(ii) in paragraph (2), by striking ''Employment and training'' and all that follows and inserting ''Employment and training activities under the Workforce and Career Development Act of 1996.''.

(25) VETERANS' JOB TRAINING ACT.—

(A) SECTION 13.—Section 13(b) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking ''assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''assistance under the Workforce and Career Development Act of 1996''.

(B) SECTION 14.—Section 14(b)(3)(B)(i)(II) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking ''under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''under the Workforce and Career Development Act of 1996''.

(C) SECTION 15.—Section 15(c)(2) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended—

(i) in the second sentence, by striking ''part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''the Workforce and Career Development Act of 1996''; and

(ii) in the third sentence, by striking ''title III of''.

(26) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT.—Section 3(a)(2) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(a)(2)) is amended by striking ''to the State'' and all that follows through ''and the chief'' and inserting ''to the Governor of the appropriate State and the chief''.

(27) TITLE 31, UNITED STATES CODE.—Section 6703(a) of title 31, United States Code, is amended by striking paragraph (4) and inserting the following:

''(4) Activities under the Workforce and Career Development Act of 1996.''.

(28) VETERANS' REHABILITATION AND EDUCATION AMENDMENTS OF 1980.—Section 512 of the Veterans' Rehabilitation and Education Amendments of 1980 (38 U.S.C. 4101 note) is amended by striking ''the Comprehensive Employment and Training Act (29 U.S.C. et seq.),'' and inserting ''the Workforce and Career Development Act of 1996,''.

(29) TITLE 38, UNITED STATES CODE.—

(A) SECTION 4102A.—Section 4102A(d) of title 38, United States Code, is amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce and Career Development Act of 1996''.

(B) SECTION 4103A.—Section 4103A(c)(4) of title 38, United States Code, is amended by striking ''(including part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.))''.

(C) SECTION 4213.—Section 4213 of title 38, United States Code, is amended by striking ''any employment or training program assisted under the Job Training Partnership Act (29 U.S.C. 1501 et seq.),'' and inserting ''any employment and training activity carried out under the Workforce and Career Development Act of 1996,''.

(30) UNITED STATES HOUSING ACT.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended—

(A) in subsection (b)(2)(A), by striking ''the Job Training'' and all that follows through ''or the'' and inserting ''the Workforce and Career Development Act of 1996 or the'';

(B) in the first sentence of subsection (f)(2), by striking ''programs under the'' and all that follows through ''and the'' and inserting ''activities under the Workforce and Career Development Act of 1996 and the''; and

(C) in subsection (g)—

(i) in paragraph (2), by striking ''programs under the'' and all that follows through ''and the'' and inserting ''activities under the Workforce and Career Development Act of 1996 and the''; and

(ii) in paragraph (3)(H), by striking ''program under'' and all that follows through ''and any other'' and inserting ''activity under the Workforce and Career Development Act of 1996 and any other''.

(31) HOUSING ACT OF 1949.—Section 504(c)(3) of the Housing Act of 1949 (42 U.S.C. 1474(c)(3)) is amended by striking ''pursuant to'' and all that follows through ''or the'' and inserting ''pursuant to the Workforce and Career Development Act of 1996 or the''.

(32) OLDER AMERICANS ACT OF 1965.—

(A) SECTION 203.—Section 203 of the Older Americans Act of 1965 (42 U.S.C. 3013) is amended—

(i) in subsection (a)(2), by striking the last sentence and inserting the following: ''In particular, the Secretary of Labor and the Secretary of Education shall consult and cooperate with the Assistant Secretary in carrying out the Workforce and Career Development Act of 1996.''; and

(ii) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) the Workforce and Career Development Act of 1996,''.

(B) SECTION 502.—Section 502 of the Older Americans Act of 1965 (42 U.S.C. 3056) is amended—

(i) in subsection (b)(1)(N)(i) (as amended by subsection (i)(10)(A)), by striking ''the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''the Workforce and Career Development Act of 1996''; and

(ii) in subsection (e)(2)(C), by striking ''programs carried out under section 124 of the Job Training Partnership Act (29 U.S.C. 1534)'' and inserting ''employment and training activities carried out under the Workforce and Career Development Act of 1996''.

(C) SECTION 503.—Section 503(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056a(b)(1)) is amended by striking ''the Job Training Partnership Act,'' each place it appears and inserting ''the Workforce and Career Development Act of 1996,''.

(D) SECTION 510.—Section 510 of the Older Americans Act of 1965 (42 U.S.C. 3056h) is amended by striking ''the Job Training Partnership Act, eligible individuals shall be deemed to satisfy the requirements of sections 203 and 204(d)(5)(A) of such Act (29 U.S.C. 1603, 1604(d)(5)(A))'' and inserting ''the Workforce and Career Development Act of 1996, eligible individuals shall be deemed to satisfy the requirements of such Act''.

(33) OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.—Section 1801(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ee(b)(3)) is amended by striking ''activities carried out under part B of title IV of the Job Training Partnership Act (relating to Job Corps) (29 U.S.C. 1691 et seq.)'' and inserting ''activities carried out under subtitle C of title II of the Workforce and Career Development Act of 1996''.

(34) ENVIRONMENTAL PROGRAMS ASSISTANCE ACT OF 1984.—The second sentence of section 2(a) of the Environmental Programs Assistance Act of 1984 (42 U.S.C. 4368a(a)) is amended by striking ''and title IV of the Job Training Partnership Act'' and inserting ''and the Workforce and Career Development Act of 1996''.

(35) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—

(A) SECTION 103.—The second sentence of section 103(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953(d)) is amended to read as follows: ''Whenever feasible, such efforts shall be coordinated with a local workforce development board established under section 108 of the Workforce and Career Development Act of 1996.''.

(B) SECTION 109.—Subsections (c)(2) and (d)(2) of section 109 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4959) is amended by striking ''administrative entities designated to administer job training plans under the Job Training Partnership Act'' and inserting ''eligible providers of training services, as defined in section 4 of the Workforce and Career Development Act of 1996''.

(36) AGE DISCRIMINATION ACT OF 1975.—Section 304(c)(1) of the Age Discrimination Act of 1975 (42 U.S.C. 6103(c)(1)) is amended by striking ''the Comprehensive Employment and Training Act of 1974 (29 U.S.C. 801, et seq.), as amended,'' and inserting ''the Workforce and Career Development Act of 1996''.

(37) ENERGY CONSERVATION AND PRODUCTION ACT.—Section 414(b)(3) of the Energy Conservation and Production Act (42 U.S.C. 6864(b)(3)) is amended by striking ''the Comprehensive Employment and Training Act of 1973'' and inserting ''the Workforce and Career Development Act of 1996''.

(38) NATIONAL ENERGY CONSERVATION POLICY ACT.—Section 233 of the National Energy Conservation Policy Act (42 U.S.C. 6873) is amended, in the matter preceding paragraph (1), by striking ''the Comprehensive Employment and Training Act of 1973'' and inserting ''the Workforce and Career Development Act of 1996''.

(39) COMMUNITY ECONOMIC DEVELOPMENT ACT OF 1981.—Section 617(a)(3) of the Community Economic Development Act of 1981 (42 U.S.C. 9806(a)(3)) is amended by striking ''activities such as those described in the Comprehensive Employment and Training Act'' and inserting ''employment and training activities described in the Workforce and Career Development Act of 1996''.

(40) STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—Section 103(b)(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302(b)(2)) is amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce and Career Development Act of 1996''.

(41) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(A) SECTION 177.—Section 177(d) of the National and Community Service Act of 1990 (42 U.S.C. 12637(d)) is amended to read as follows:

''(d) TREATMENT OF BENEFITS.—Allowances, earnings, and payments to individuals participating in programs that receive assistance under this title shall not be considered to be income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any Federal or federally assisted program based on need, other than as provided under the Social Security Act (42 U.S.C. 301 et seq.).''.

(B) SECTION 198C.—Section 198C of the National and Community Service Act of 1990 (42 U.S.C. 12653c) is amended—

(i) in subsection (b)(1), by striking ''a military installation described in section 325(e)(1) of the Job Training Partnership Act (29 U.S.C. 1662d(e)(1)).'' and inserting ''a military installation being closed or realigned under—

''(A) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note); and

''(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).''; and

(ii) in subsection (e)(1)(B), by striking clause (iii) and inserting the following:

''(iii) an at-risk youth (as defined in section 4 of the Workforce and Career Development Act of 1996).''.

(C) SECTION 199L.—Section 199L(a) of the National and Community Service Act of 1990 (42 U.S.C. 12655m(a)) is amended by striking ''the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''the Workforce and Career Development Act of 1996''.

(42) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—

(A) SECTION 454.—Subparagraphs (H) and (M) of subsection (c)(2), and subsection (d)(7), of section 454 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899c) are amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce and Career Development Act of 1996''.

(B) SECTION 456.—The first sentence of section 456(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899e(e)) is amended by inserting ''(as in effect on the day before the date of the enactment of the Workforce and Career Development Act of 1996)'' after ''the Job Training Partnership Act'' each place it appears.

(43) VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Section 31113(a)(4)(C) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13823(a)(4)(C)) is amended by striking ''authorized under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''or employment and training activities authorized under the Workforce and Career Development Act of 1996''.

SEC. 503. EFFECTIVE DATES.

(a) REPEALS.—

(1) IMMEDIATE REPEALS.—The repeals made by subsections (a) through (e) of section 501 shall take effect on the date of the enactment of this Act.

(2) SUBSEQUENT REPEALS.—The repeals made by section 501(f) shall take effect on July 1, 1998.

(b) CONFORMING AMENDMENTS.—

(1) IMMEDIATELY EFFECTIVE AMENDMENTS.—The amendments made by subsections (a) through (h) of section 502 shall take effect on the date of the enactment of this Act.

(2) SUBSEQUENTLY EFFECTIVE AMENDMENTS.—The amendments made by subsections (i) through (l) of section 502 shall take effect on July 1, 1998.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert the following: ''An Act to consolidate Federal employment, education, and job training programs and create statewide workforce and career development systems, and for other purposes.''.

And the Senate agree to the same.

BILL GOODLING,
STEVE GUNDERSON,
RANDY ''DUKE'' CUNNINGHAM,
HOWARD P. ''BUCK'' MCKEON,
FRANK D. RIGGS,
LINDSEY GRAHAM,
MARK SOUDER,
Managers on the Part of the House.

NANCY LANDON KASSEBAUM,
JIM JEFFORDS,
DAN COATS,
JUDD GREGG,
BILL FRIST,
MIKE DEWINE,
JOHN ASHCROFT,
SPENCER ABRAHAM,
SLADE GORTON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1617) to consolidate and reform workforce development and literacy programs, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

STATEMENT OF MANAGERS

GENERAL

Short title

1. The House bill is referred to as the CAREERS Act. The Senate amendment is referred to as the Workforce Development Act of 1995.

The House recedes with an amendment naming the bill the ''Workforce and Career Development Act of 1996''.

Table of contents

2. Both the House bill and the Senate amendment contain a table of contents.

Legislative counsel.

Findings

3. The Senate amendment provides findings on the failures of the existing Federal job training system. The House bill contains no findings, except those for title IV, Adult Education and Literacy Programs. (See next Note.)

The Senate recedes.

3a. The House bill provides findings on the importance of improving literacy.

The House recedes.

Purpose

4. The House bill provides one purpose for the Act—to transform existing programs into a more effective system. The Senate amendment contains three purposes: (1) to create statewide workforce development systems, (2) to improve skills, and (3) to promote economic development.

The Senate recedes with an amendment combining the purposes of both bills.

4a. The House bill contains additional purposes for the youth development and career preparation, adult employment and training, and adult education and literacy titles.

The House recedes.

Authorizations

5. The House bill provides authorizations of (1) $2,324,600,000 for the youth development grant, (2) $2,183,000,000 for the adult training grant, and (3) $280,000,000 for the adult education and literacy grant. The Senate amendment provides for an authorization of $5,884,000,000 for workforce development for fiscal year 1996 and 1997 (which includes funds made available under the Wagner-Peyser Act). The Senate amendment also provides for an authorization of $2,100,000,000 for Job Corps and at-risk youth, and $500,000 for transition to the Federal Partnership.

The Senate recedes with an amendment authorizing ''such sums'' for a single workforce and career development block grant and ''such sums'' for Job Corps.

5a. The House bill authorizes funds from fiscal year 1997–2002. The Senate amendment authorizes funds from fiscal year 1998–2001, except that for fiscal years 1996 and 1997, $500,000 is authorized for the National Board.

The Senate recedes with an amendment authorizing appropriations beginning in fiscal year 1998 through fiscal year 2002.

6. Both the House bill and the Senate amendment provide for program years beginning on July 1 each fiscal year.

The House recedes.

7. Both the House bill and the Senate amendment allow funds obligated for any

program year to be expended by the recipient during the program year and 2 years thereafter. However, the House bill requires the Secretary to reallot a portion of the unexpended funds. Under the Senate amendment, no amount can be deobligated if the rate of expenditure is consistent with the State's plan.

The House recedes with an amendment authorizing carryover of funds for employment and training and at-risk youth activities for up to two years.

Definitions

8. The House bill, but not the Senate amendment, includes a definition of ''administration,'' which applies only to the youth grant.

The House recedes.

9. Both the House bill and the Senate amendment definitions of ''adult'' differ in the calculation of age and whether or not an individual is required to be enrolled in a secondary school. In addition, the Senate amendment's definition of ''adult'' applies only to the definition of adult education programs.

The House and Senate recede.

10. The House bill and the Senate amendment have similar definitions of ''adult education,'' but the House bill includes in the definition instruction for adults who are not enrolled or not required to be enrolled in school and who lack mastery of basic skills.

The Senate recedes with an amendment combining the definition of ''adult education'' in both bills.

11. The House bill, but not the Senate amendment, includes a definition of ''all aspects of the industry,'' which applies only to the youth grant.

The Senate recedes with an amendment to modify the definition of ''all aspects of the industry''.

12. The Senate amendment, but not the House bill, defines ''appropriate Secretary'' to mean either the Secretary of labor, the Secretary of Education, or both Secretaries acting jointly.

The House recedes.

13. Both the House bill and the Senate amendment include similar definitions of ''area vocational education school.'' The Senate amendment includes technical institutions on vocational schools, but only if the institute or school admits both individuals who have finished secondary school and who have left secondary school. The House bill requires that the department or division of a junior college, community college, or university operate under the policies of the State board.

The Senate recedes with an amendment replacing the reference to ''State board'' with ''eligibility agency''.

14. The House bill, but not the Senate amendment, includes a definition of ''articulation agreement,'' which applies only to the youth grant.

The House recedes.

15. The House bill and the Senate amendment differ in the definition of ''at-risk youth''. For example, the House bill defines ''at-risk youth'' as including both out-of-school and in-school youth. The Senate amendment defines ''at-risk youth'' in terms of low income.

The House recedes with an amendment defining ''at-risk youth'' as an individual who is between the ages of 15 and 21, is low-income, and who has additional barriers to education or employment.

15a. The Senate amendment also defines ''at-risk youth'' for the purposes of the Job Corps and at-risk youth title.

The Senate recedes.

16. The House bill, but not the Senate amendment, includes a definition of ''career grant.''

The Senate recedes with an amendment defining a ''career grant'' as a voucher or credit used to purchase training services.

17. The House bill, but not the Senate amendment, includes a definition of ''case management.''

The House recedes.

18. The House bill and the Senate amendment include similar definitions of ''chief elected official,'' except that the House bill refers to workforce development areas and the Senate amendment refers to substate areas.

The Senate recedes.

19. The House bill and the Senate amendment include similar definitions of ''community-based organization.'' However, the Senate bill requires the organization to have demonstrated effectiveness and to provide workforce development activities. The House bill lists the activities.

The House recedes with an amendment defining a ''community-based organization'' as a private, non-profit organization of demonstrated effectiveness.

While the Managers intend that providers under this system, including community-based organizations, be of ''demonstrated effectiveness,'' this is in no way intended to limit the ability of new providers to participate in the delivery of services under workforce and career preparation programs. Such providers simply must be able to demonstrate that they can provide services effectively.

20. The House bill, but not the Senate amendment, includes a definition of ''comprehensive career guidance and counseling''.

The Senate recedes with an amendment to modify the definition of ''career guidance and counseling''.

21. The House bill, but not the Senate amendment, includes a definition of ''cooperative education,'' which applies only to the youth grant.

The Senate recedes.

22. The House bill, but not the Senate amendment, includes a definition of ''correctional education agency,'' which applies only to the adult education and family literacy grant.

The House recedes.

23. The House bill, but not the Senate amendment, includes a definition of ''cooperative vocational education,'' which applies only to the youth grant.

The House recedes.

24. The Senate amendment, but not the House bill, includes a definition of ''covered activity,'' (programs repealed or amended under this Act).

The House recedes with technical and conforming amendments.

25. The House bill, but not the Senate amendment, includes a definition of ''curricula,'' which applies only to the youth grant.

The House recedes.

26. The House bill, but not the Senate amendment, includes a definition of ''demographic characteristics.''

The House recedes.

27. The House bill and the Senate amendment have similar definitions of ''dislocated worker.'' However, the Senate amendment includes in the definition a displaced homemaker and an individual unemployed as a result of Federal action limiting the use of marine natural resources.

The Senate recedes with an amendment striking the reference to older workers and inserting references to displaced homemakers and individuals displaced because of Federal action that limits the use of marine natural resources in the definition of ''dislocated worker''.

The Managers agree to strike the specific reference to older workers in the definition because it was determined that older workers who are dislocated from their jobs are implicitly covered under the definition of a dislocated worker. It is still the intent of the Managers, however, that older workers who are in need of employment and training activities, be served fairly and equitably through employment training activities authorized under this Act.

28. The House bill and the Senate amendment contain different definitions of ''displaced homemaker.'' For example, the House bill includes in the definition an adult dependent on public assistance or a parent whose youngest dependent child is ineligible for assistance. The Senate amendment's definition requires the Federal Partnership to determine guidelines solely for individuals who were full-time homemakers previously receiving financial support.

The Senate recedes with an amendment modifying the definition of ''displaced homemaker''.

29. The House bill, but not the Senate amendment, includes a definition of ''earnings.''

The House recedes.

30. The Senate amendment, but not the House bill, includes a definition of ''economic development activities.''

The Senate recedes.

31. The House bill, but not the Senate amendment, includes a definition of ''economic development agencies.''

The House recedes.

32. The House bill, but not the Senate bill, includes a definition of ''economically disadvantaged.''

The Senate recedes with an amendment changing the term ''economically disadvantaged'' to ''low-income individual'', modifying the reference to poverty guidelines, and striking additional State criteria.

33. The House bill and the Senate amendment include similar definitions of ''educational service agency.'' However, the House bill provides that an educational service agency be recognized as an administrative agency for vocational education.

The House recedes.

34. The House bill, but not the Senate amendment, includes a definition of ''educationally disadvantaged adult,'' which applies only to the adult education and family literacy grant.

The House recedes.

35. The Senate amendment, but not the House bill, includes a definition of ''elementary school; secondary school.'' In addition, the Senate amendment includes a definition of ''local educational agency.'' (See Note 52 for the comparable House definition of local educational agency.)

The House recedes with an amendment striking the definition of ''elementary school'' and ''local educational agency''.

36. The House bill, but not the Senate amendment, includes a definition of ''eligible institution,'' which applies only to the youth grant.

The Senate recedes with an amendment striking the reference to ''intermediate educational agency'' and replacing it with ''educational service agency''.

37. The House bill, but not the Senate amendment, includes a definition of ''employed.''

The House recedes.

38. The House bill, but not the Senate amendment, includes a definition of ''English literacy program.''

The Senate recedes with an amendment striking the reference to ''adults, out-of-school youth, or both''.

39. The House bill, but not the Senate amendment, includes a definition of ''excess number.''

The House recedes.

40. The House bill, but not the Senate amendment, includes a definition of ''family and consumer sciences.''

The Senate recedes.

41. The House bill, but not the Senate amendment, includes a definition of ''family literacy services,'' which applies only to the adult education and family literacy grant.

The Senate recedes.

42. The Senate amendment, but not the House bill, includes a definition of ''Federal Partnership.''

The Senate recedes.

43. The Senate amendment, but not the House bill, includes a definition of ''flexible workforce activities.''

Legislative counsel.

44. The House bill, but not the Senate amendment, includes a definition of ''Governor.''

The House recedes.

45. The House bill, but not the Senate amendment, includes a definition of ''individual of limited English proficiency.

The Senate recedes with an amendment changing ''adult or youth'' to ''individual''.

46. The House bill and the Senate amendment include a definition of ''individuals with disabilities.'' The Senate amendment also includes a definition of ''individual with a disability.'' The House bill refers to the Rehabilitation Act of 1973, the Senate amendment refers to section 3 of the Americans with Disabilities Act of 1990.

The House recedes.

47. The House bill, but not the Senate amendment, includes a definition of ''institution of higher education.'' (See Note 36 for a definition of ''eligible institution.'')

The House recedes.

48. The House bill, but not the Senate amendment, includes a definition of ''job search assistance.''

The House recedes.

49. The House bill, but not the Senate amendment, includes a definition of ''labor market area.''

The Senate recedes with an amendment striking second sentence of House definition.

50. The House bill, but not the Senate amendment, includes a definition of ''library.'' However, the Senate amendment includes definitions of ''library consortia,'' ''library entity,'' and ''public library'' in the provisions pertaining to Museums and Libraries. (See Note 550a)

The House recedes.

51. The House bill, but not the Senate amendment, includes a definition of ''literacy.''

The Senate recedes.

52. Both the House bill and the Senate amendment, include the same definition for ''local educational agency.'' (See Note 35 for the comparable Senate definition)

The Senate recedes.

53. The Senate amendment, but not the House bill, includes a definition of ''local entity.''

Legislative counsel.

54. The Senate amendment, but not the House bill, includes a definition of ''local partnership.''

The Senate recedes.

55. The House bill, but not the Senate amendment, includes a definition of ''migrant farmworker.''

The House recedes.

56. The Senate amendment, but not the House bill, includes a definition of ''National Board.''

The Senate recedes.

57. The House bill, but not the Senate amendment, includes a definition of ''Native American.'' However, the Senate amendment includes definitions of ''Indian,'' ''Alaska Native,'' and ''Native Hawaiian'' in the provisions pertaining solely to Indian workforce development activities in section 107. (See Note 422)

The House recedes.

58. The House bill, but not the Senate amendment, includes a definition of ''nontraditional employment.''

The Senate recedes with an amendment modifying the definition of ''nontraditional employment''.

59. The House bill, but not the Senate amendment, includes a definition of ''on-the-job training.''

The Senate recedes with an amendment striking the reference to the Occupational Employment Statistics Program Dictionary, and replacing it with criteria limiting the duration of on-the-job training, as appropriate.

60. The Senate amendment, but not the House bill, includes a definition of ''outlying area.'' (See related Note 76)

The House recedes.

61. The Senate amendment, but not the House bill, includes a definition of ''participant.''

The Senate recedes.

62. The House bill, but not the Senate amendment, includes a definition of ''partnership'' which applies only to the youth grant.

The House recedes.

63. Both the House and the Senate amendment include a definition of ''postsecondary educational institution.'' The House bill refers to eligibility and certification requirements under the Higher Education Act of 1965. The Senate amendment requires two or four year programs of instruction.

The Senate recedes.

64. The House bill, but not the Senate amendment, includes a definition of ''preemployment skills training; job readiness skills training.''

The House recedes.

65. The House bill, but not the Senate amendment, includes a definition of ''public assistance.'' (See related Note 91.)

The House recedes.

66. The House bill defines ''rapid response.'' The Senate amendment defines ''rapid response assistance.'' The House bill specifies who provides the assistance, when on-site contact should occur, and lists types of assistance. The House bill refers to ''substantial layoff,'' the Senate amendment refers to ''layoff of 50 or more people.''

The House recedes with an amendment combining the two definitions into a single definition of ''rapid response assistance''.

67. The House bill, but not the Senate amendment, includes a definition of ''registered apprenticeship.''

The House recedes.

68. The House bill, but not the Senate amendment, includes a definition of ''school dropout.''

The Senate recedes with an amendment replacing ''youth'' with ''individual'' and striking the reference to a certificate of a secondary school equivalency program.

69. The Senate amendment, but not the House bill, includes a definition of ''school-to-work activities.''

The Senate recedes.

70. The House bill, but not the Senate amendment, includes a definition of ''seasonal farmworker.''

The House recedes.

71. The House bill, but not the Senate amendment, includes a definition of ''Secretary,'' which applies to both the youth grant and adult education and family literacy grant.

The House recedes.

72. The House bill, but not the Senate amendment, includes a definition of ''sequential course of study,'' which applies only to the youth grant.

The Senate recedes with an amendment striking ''youth'' and inserting ''individuals.''

73. The House bill, but not the Senate amendment, includes a definition of ''single parent,'' which applies only to the youth grant.

The House recedes.

74. The House bill, but not the Senate amendment, includes a definition of ''skill certificate.''

The House recedes.

75. The House bill, but not the Senate amendment, includes a definition of ''special populations,'' which applies only to the youth grant.

The House recedes.

76. Both the House bill and the Senate amendment include a definition of ''State,'' however, the House bill includes in the definition the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

The House recedes.

77. The Senate amendment, but not the House bill, includes a definition of ''State benchmarks.''

The House recedes with conforming amendments.

78. The House bill and the Senate amendment include different definitions of ''State Educational Agency.'' The House bill includes the same definition as the Elementary and Secondary Education Act. The Senate amendment's definition differs from the Elementary and Secondary Education Act by including the State board of education or other officer, and by adding the clause ''or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.''

The Senate recedes.

79. The Senate amendment, but not the House bill, includes a definition of ''State goals.''

The House recedes.

80. Both the House bill and the Senate amendment include a definition of ''State library administrative agency.'' However, the Senate amendment definition is included in the provisions pertaining to Museums and Libraries. (See Note 550b)

The Senate recedes. (Definition moves to libraries section.)

81. The Senate amendment, but not the House bill, includes a definition of ''statewide system.''

The House recedes with an amendment including employment and training activities, vocational education activities, adult education and literacy activities, at-risk youth activities, and activities carried out pursuant to the Wagner-Peyser Act in the definition of ''statewide system''.

82. The Senate amendment, but not the House bill, includes a definition of ''substate area.''

The Senate recedes.

83. The House bill, but not the Senate amendment, includes a definition of ''supportive services.''

The Senate recedes with an amendment streamlining the definition of ''supportive services''.

84. Both the House bill and the Senate amendment include similar definitions of ''tech-prep.'' The House bill defines ''tech-prep education program,'' the Senate amendment defines ''tech-prep program.''

The House recedes.

84a. The Senate amendment refers to State law.

The House recedes with an amendment striking ''sequence'' and inserting ''sequential course of study.''

84b. The Senate amendment includes worksite learning.

The House recedes.

84c. The House bill provides technical preparation in at least 1 field. The Senate amendment includes applied economics.

The House recedes.

84d. The Senate amendment includes economics.

The House recedes.

84e. The House bill refers to careers meeting labor market needs.

The House recedes.

85. The House bill, but not the Senate amendment, includes a definition of ''unemployed.''

The House recedes.

86. The House bill, but not the Senate amendment, includes a definition of ''unit of general local government.''

The Senate recedes.

87. Both the House bill and the Senate amendment definitions are the same, except for a technical difference.

The House recedes.

88. Both the House bill and the Senate amendment include different definitions of ''vocational education.''

The House recedes.

89. The House bill, but not the Senate amendment, includes a definition of ''vocational student organizations,'' which applies only to the youth grant.

The Senate recedes with an amendment striking all after the word ''units''.

90. The Senate amendment, but not the House bill, includes a definition of ''vocational rehabilitation program.''

The House recedes.

91. The Senate amendment, but not the House bill, includes a definition of ''welfare assistance.'' (See related Note 65)

The Senate recedes.

92. The Senate amendment, but not the House bill, includes a definition of ''welfare recipient.''

The Senate recedes.

93. The House bill, but not the Senate amendment, includes a definition of ''work experience.''

The House recedes.

94. The Senate amendment, but not the House bill, includes a definition of ''workforce development activities.''

The House recedes with an amendment striking ''workforce development activities'' and inserting ''workforce and career development activities.''

95. The Senate amendment, but not the House bill, includes a definition of ''workforce education activities.''

The House recedes with an amendment referencing ''vocational education activities'' and ''adult education and literacy activities'' instead of ''workforce education activities.''

96. The Senate amendment, but not the House bill, includes a definition of ''workforce employment activities.''

The House recedes with an amendment referencing ''employment and training activities'' instead of ''workforce employment activities.''

97. The Senate amendment, but not the House bill, includes a definition of ''workforce preparation activities for at-risk youth.''

The House recedes with an amendment referencing ''at-risk youth activities'' instead of ''workforce preparation activities for at-risk youth.''

98. The House bill, but not the Senate amendment, includes a definition of ''workplace mentor.''

The House recedes.

99. The House bill, but not the Senate amendment, includes a definition of ''youth.''

The House recedes.

STATE ROLE

Description of system

100. The House bill, but not the Senate amendment, uses title I to establish an infrastructure for the workforce development and literacy system, composed of three block grants.

The House recedes.

101. The Senate amendment, but not the House bill, provides for the Secretaries to make an allotment to each State to establish a statewide workforce development system.

The House recedes with an amendment conforming the reference to the Secretary of Education and the Secretary of Labor to the ''Secretaries'' as defined in this title.

102. Under the House bill, grants for programs are provided under four separate titles, known as Workforce Development and Literacy Programs. (The House bill no longer contains a separate title for vocational rehabilitation.) Under the Senate amendment, a State must allocate its allotment as follows: 25% for workforce employment, 25% for workforce education, and the remaining 50% for the flex account.

The House recedes with an amendment apportioning a State's block grant funds as follows: 32 percent for employment and training activities, 26 percent for vocational education activities, 16 percent for at-risk youth activities, and 6 percent for adult education and literacy activities.

102(a). The Senate amendment, but not the House bill, provides that 50% of the allotment be used for the flex account for workforce employment or workforce education activities, as a State may decide. In addition, a State would be required to spend a portion of the flex account on school-to-work activities. (See Note 350) A State may also use a portion of the flex account for economic development activities, if certain conditions are met. (See Note 352)

The House recedes with an amendment apportioning 20 percent for the flex account.

103. The House, but not the Senate amendment, allows the Governor to transfer up to 10% of the funds between title II (youth) and title III (adult training).

The House recedes.

104. Under the Senate amendment, but not the House bill, the Secretaries are directed to make payments to the Governor for workforce employment and to the State educational agency for workforce education.

The House recedes with an amendment providing that block grant funds allotted to a State will be distributed to the Governor for employment and training and at-risk youth activities, and to the eligible agency for vocational education and adult education and literacy activities. The amendment further provides for a definition for the term ''eligible agency.''

The Managers intend that the reference to ''State law'' in determining the individual, entity or agency is a State responsible for administering or setting policies for vocational education or adult education and literacy includes State statutes or the State constitution. The term ''State law'' does not include regulations by the Governor. The Managers do not intend to prohibit States from redesignating the agency or agencies responsible for these activities by State statute.

Collaborative process/State boards

105. The House bill, but not the Senate amendment, requires a Governor to certify to the Secreatries that a collaborative process has occurred where required under the Act.

The House recedes.

106. Under the House bill, the collaborative process is a process for making the key decisions at the State level, including development of the State plan. The collaborative process under the Senate amendment is used solely for developing the State's strategic plan. The State provides a description of the process in its plan.

The Senate recedes with an amendment clarifying that the collaborative process is to be used for the development of the State plan.

107. The House bill and the Senate amendment list the participants in the collaborative process.

The Senate recedes with an amendment combining and modifying the lists of participants in the collaborative process from both bills.

In determining who should participate in each State's collaborative process, the Managers intentionally limited the number of individuals and entities who are required by the legislation to participate in such effort. However, this was in no way intended to be an exhaustive list. The Managers encourage the participation of employment and training providers, especially private providers such as outplacement firms and for-profit training companies, whose private sector perspective and expertise should prove valuable to a State's comprehensive workforce preparation efforts.

108. The House bill, but not the Senate amendment, allows States to use existing processes, including State councils, that are substantially the same as those described in section 103(a) and (b), outlining the collaborative process.

The Senate recedes with an amendment allowing an existing State board, council or other entity to serve as the State's collaborative process, and describing the functions of such a State board.

109. The Senate amendment permits the Governor to establish a State workforce development board to assist in the development of the statewide workforce development system. The House bill permits existing State boards under section 103(c) (See previous Note).

The Senate recedes.

110. Both the House bill and the Senate amendment allow the Governor to act, if he or she is unable to obtain the support of the participants in the collaborative process. However, comments from participants must be included in the State plan. The House bill specifically gives the Governor final authority to submit the State plan, and to make decisions for all programs authorized under the Act, except where State law provides such authority to an individual or agency other than the Governor.

The Senate recedes with an amendment clarifying that the Governor shall have final authority for the content of the State plan relating to employment and training and at-risk youth activities, and the eligible agency shall have final authority for the content of the State plan relating to vocational education and adult education and literacy activities. The amendment further clarifies that the Governor has final authority to submit the State plan, including comments submitted by participants in the collaborative process. If the eligible agency disagrees with the portion of the State plan in its jurisdiction, the eligible agency's comments shall be considered to be the State's plan for those activities.

111. The House bill and the Senate amendment provide that neither shall be construed to supersede State law or authority, although the Senate amendment applies only to education activities.

The Senate recedes with an amendment combining the provisions of both bills that provides that nothing in this title should supersede State law.

It was important to the Managers that nothing in this Act supersede or negate the authority of any State official, agency, or entity over programs under that official's, agency's, or entity's jurisdiction. The Managers wish to clarify that this protection is

also extended to any existing authority or jurisdiction granted by State law to State Legislatures.

State allotments

(Workforce Development/At-Risk Youth)

112. The Senate amendment, but not the House bill, provides that funds be expended in accordance with the State's laws and procedures.

The Senate recedes.

113. Under the Senate amendment, funds for workforce development activities will be distributed according to a formula based on the following factors: 60% of the funds based on each State's percentage share of the population aged 15 to 65 years, 20% of the funds based on each State's percentage share of individuals aged 18 to 64 years who are at or below the official poverty line, 10% of the funds based on each State's percentage share of the average unemployment rate for the previous 2 years; and 10% based on each State's percentage share of adult recipients of welfare assistance. The House bill has no comparable allotment requirement for a single grant to States, but does provide allotments to States under the three separate block grants. (See Notes 115, 116, & 117)

The House recedes with an amendment changing the age range of individuals in poverty to ages 16 to 64, and making other conforming changes in the State allotments.

113a. Under the Senate amendment, in addition to the factors described in the previous Note, there is a provision for a State minimum allocation, so that no State receives less than 0.5% of the total allocation. However, the application of the minimum grant provision cannot result in an allotment that is larger than 150% of the product of a State's population times the national per capita payment under the formula (which is the total allocation divided by the total population). The House bill also includes State minimums in its separate grant allotments. (See Notes 115, 116, & 117)

The House recedes with an amendment striking any references to the Federal Partnership

113b. Notwithstanding any other provision of the formula in the Senate amendment, no State would receive an increase or decrease of more than 5% in its share of funds from the previous year.

The House recedes with an amendment striking ''0.95'' and inserting ''0.98''; and striking ''1.05'' and inserting ''1.02''

114. The Senate amendment provides funding for Job Corps and at-risk youth through an allotment based on 1996 appropriations for Job Corps, and the remainder distributed by formula for workforce preparation activities for at-risk youth. The House bill provides funding for at-risk youth under the youth grant. (See Note 115). The House bill retains current law for Job Corps.

The Senate recedes.

114a. Under the Senate amendment, the Secretaries provide funds for the operation of Job Corps centers based on the amounts appropriated in fiscal year 1996 and such additional amounts as are necessary for the construction of new centers.

The Senate recedes.

114b. Under the Senate amendment, the Secretaries may reserve at-risk youth funds for Indians and Native Hawaiians.

The Senate recedes.

114c. Remaining funds for at-risk youth are allocated in the Senate amendment based on the following factors: 33⅓% of the funds based on each State's percentage share of the average unemployment rate for the previous two years, 33⅓% of the funds based on each State's percentage share of individuals aged 18 to 64 years who are at or below the official poverty line, and 33⅓ percent of the funds based on each State's percentage share of at-risk youth.

The Senate recedes.

(Youth)

115. Under the House bill's grant for youth (which includes in-school and at-risk youth), States are provided an amount of funding which bears the same ratio as the average of funds they received in fiscal year 1995 under sections 101 and 101A of the Perkins Act (basic State and tech prep grants) and sections 252 and 262 of JTPA (Title II–B Summer Youth and Title II–C Youth Training). A small State minimum of 1/4 of 1% is provided. For a description of the Senate allotment for workforce development (which includes youth) and the allotment for at-risk youth. (See Notes 113 and 114).

The House recedes.

(Employment and Training Activities)

116. Under the House bill's grant for adult employment and training, States are provided funds based on each State's share of fiscal year 1995 appropriations under JTPA Title II–A (Adult Training) and Title III (Dislocated Workers). In addition, no State would receive less than 0.25% of the amount made available for these activities. For a description of the Senate allotment which includes employment and training, see Note 113.

The House recedes.

(Adult Education)

117. Under the House bill's grant for adult education and literacy, States are provided an allotment of $250,000. Funds remaining after these allotments are made would be distributed to States in proportion to the adult population who are: at least 16 years of age but less than 61 years, beyond the age of compulsory school attendance, do not have a high school diploma (or the equivalent), and who are not currently enrolled in school. For a description of the Senate allotment which includes adult education, see Note 113.

The House recedes.

State responsibilities

(State plan/General)

118. Under the House bill, the Governor must submit a single State plan (to the Secretaries of Education and Labor) for the workforce development and literacy programs under the Act. Under the Senate amendment, the Governor must submit a single, comprehensive 3-year plan to the Federal Partnership.

The Senate recedes with an amendment clarifying that the State plan will cover a 3-year period.

119. Under the House bill, but not the Senate amendment, the plan remains in effect for 6 years, unless the State modifies the plan.

The Senate recedes with an amendment clarifying that a State may submit modifications to its State plan during the 3-year period.

Contents

120. Under the Senate amendment, but not the House bill, the plan contains three components: (1) the strategic plan, (2) the description of workforce employment activities, and (3) the description of workforce education activities. The strategic plan, developed through the collaborative process, describes the statewide strategy and the allocation of funds in the flex account.

The Senate recedes.

121. Both the House bill and the Senate amendment require that State plans include various elements. To the extent both the House bill and the Senate amendment contain comparable requirements, there are differences in content.

The Senate recedes with an amendment changing the title to ''State Plan'' and striking ''workforce development and literacy''.

121a. Both the House bill and the Senate amendment require a description of the collaborative process. The House bill and the Senate amendment differ in the use of the collaborative process. The Senate amendment also requires a demonstration of support by the participants. (See Note 106)

The House recedes with an amendment requiring the State plan to describe the collaborative process, and to demonstrate the support of participants for the plan and the agreement of the eligible agencies for the plan.

121b. Both the House bill and the Senate amendment require a description of the State goals (and in the Senate amendment, State benchmarks) for workforce development and how to achieve them.

The House recedes with an amendment requiring the State plan to describe State goals and benchmarks and how workforce and career activities will be coordinated to reach them.

121c. Both the House bill and the Senate amendment require a description of the current and future workforce development needs of each State.

The Senate recedes with an amendment requiring the State plan to describe workforce and career development needs in the State.

121d. Both the House bill and the Senate amendment require a description of performance indicators to measure and continuously improve upon the performance of the statewide system. The House bill requires the identification of progress indicators. (See Notes 123c and 125b for comparable Senate provisions)

The House and Senate recede.

121e. The House bill, but not the Senate amendment, requires a description of how the State will comply with the requirements for (1) the designation of workforce development areas, (2) the establishment of local boards, (3) integrated career center system, and (4) identification of eligible education and training providers, as required by the Act.

The Senate recedes with an amendment requiring the identification of local workforce development areas in the State plan, with an exception for small States, and the development and inclusion of criteria to identify effective and ineffective at-risk youth providers and programs.

Under the conference agreement, local workforce development areas are to be identified as a part of the collaborative planning process in each State, with such identification included in the State plan. As such, it is the intent of the Managers that individuals involved in the collaborative process, including representatives of local chief elected officials, local educational agencies, postsecondary institutions (including community colleges), and business, as well as others, be involved in the identification of these local areas. In addition, as part of the broader requirement that the State plan must be made available to the public for comment, it is intended that the designation of these areas is truly a participatory process.

Regarding identification of the actual geographic boundaries of local workforce development areas, in addition to labor market areas, the Managers encourage States to take into consideration existing service areas (including service delivery areas established under the Job Training Partnership Act, areas served by postsecondary institutions and area vocational education schools, areas served by local educational agencies and intermediate educational agencies, and units of general local government). The Managers also encourage States to take into account the distance that individuals must travel for receipt of services in making such determinations.

The Managers also intend for the identification of effective and ineffective providers of at-risk youth activities to provide States and local workforce development boards with useful information regarding ''best practices'' and ''failed practices'' in addressing the employment and training needs of at-risk youth.

121f. Both the House bill and the Senate amendment require a description of how the State will participate in the national labor market information system.

The Senate recedes with an amendment requiring the State plan to describe the statewide labor market information system.

121g. The House bill, but not the Senate amendment, requires additional plan elements outlined in titles II–IV.

The House recedes.

121h. Both the House bill and the Senate amendment require a description of how the State will eliminate duplication among services, including a description of common data collection and reporting processes.

The Senate recedes.

121i. The House bill, but not the Senate amendment, requires a description of the process for public comment.

The Senate recedes.

121j. Both the House bill and the Senate amendment require a description of business participation.

The House recedes with an amendment clarifying participation of labor, as appropriate.

121k. The House bill, but not the Senate amendment, requires assurance that the State will be accountable for funds distributed under the Act.

The Senate recedes.

121l. The House bill, but not the Senate amendment, requires a description of the sanctions which may be imposed for actions contrary to the Act.

The House recedes.

121m. The Senate amendment, but not the House bill, requires a description of how funds in the flex account will be allocated among workforce activities.

The Senate recedes.

121n. The Senate amendment, but not the House bill, requires information regarding the participation of local partnerships.

The Senate recedes.

121o. The Senate amendment, but not the House bill, requires information regarding other public and private resources for workforce development activities.

The House recedes with an amendment including a reference to the Wagner-Peyser Act and clarifying the participation of employees in the statewide system.

121p. The Senate amendment, but not the House bill, requires information regarding how Veterans' employment activities will be coordinated with the statewide system.

The House recedes.

121q. The Senate amendment, but not the House bill, requires an assurance that funds under the Act will supplement and not supplant other public funds for workforce development activities.

The House recedes.

121r. The Senate amendment, but not the House bill, requires information regarding economic development activities, if any.

The House recedes with an amendment striking the reference to ''labor organizations'' and replacing it with a reference to ''labor as appropriate''.

122. Under the House bill, but not the Senate amendment, States must provide additional information regarding adult employment and training activities.

The House recedes.

122a. The House bill, but not the Senate amendment, requires a description of how the State will serve the employment and training needs of various segments of the population, and how it will provide rapid response assistance to dislocated workers.

The Senate recedes with an amendment requiring the State plan to describe how the State will serve dislocated workers and other unemployed individuals.

123. Under the Senate amendment, but not the House bill, the second part of the plan, developed by the Governor, describes workforce employment activities.

The Senate recedes.

123a. The Senate amendment requires an identification of substate areas. The House bill requires a description of how the State will designate local workforce development areas. (See Note 129 and 1213).

The Senate recedes.

123b. The Senate amendment requires a description of the basic features of the State's one-stop career center system. The House bill requires a description of how the State will establish integrated career center systems. (See Note 121e)

The House recedes with an amendment requiring the State plan to describe the strategy for developing the one-stop career center system in the State.

123c. The Senate amendment requires an identification of performance indicators relating to the State goals and benchmarks for workforce employment activities. The House bill requires an identification of progress indicators. (See related Note 121d for comparable House provision)

The Senate recedes.

123d. The Senate amendment requires a description of the workforce employment activities to be carried out. The House bill contains no such specific plan requirement.

The House recedes with an amendment requiring the State plan to describe how the State will provide rapid response assistance to dislocated workers.

123e. The Senate amendment requires a description of the steps the State will take over three years to establish a statewide labor market information system. The House bill requires a description of the State's participation in the labor market information system (See Note 121f for comparable House provision)

The Senate recedes.

123f. The Senate amendment, but not the House bill, requires a description of the steps the State will take over three years to establish a job placement accountability system.

The House recedes.

123g. The Senate amendment requires a description of the process the State will use to approve training providers. The House bill requires a description of how the State will identify education and training providers. (See Note 121e)

The House recedes with an amendment requiring the State plan to describe the process the State will use to identify eligible providers of training services.

124. In order to receive funds for youth, under the House bill, but not the Senate amendment, a State must submit additional information describing activities for youth.

The House recedes with an amendment inserting ''With respect to vocational education activities, information—''.

124a. The House bill, but not the Senate amendment, requires a description of the State's plan to develop the academic and occupational skills of youth and provide the attainment of challenging vocational-technical education standards. (See Notes 125g and 125k for Senate plan requirements regarding workforce education activities to improve education and performance measures)

The Senate recedes with an amendment requiring the State plan to describe how the State will develop the academic and occupational skills of students participating in vocational education activities.

124b. The House bill, but not the Senate amendment, requires a description of how the State will improve comprehensive career guidance and counseling. Both the House bill and the Senate amendment require a description of how the State will address professional development needs. (See related Note 125I)

The Senate recedes with an amendment requiring the State plan to describe how the State will improve career guidance and counseling.

124c. The House bill, but not the Senate amendment, requires a description of the State's strategy for integrating academic, vocational, and work-based learning. Both the House bill and the Senate amendment require collaborative efforts. (See related Note 125)

The House recedes.

124d. Both the House bill and the Senate amendment require a description of how the State will encourage the participation of parents (and under the House bill—businesses), in education and youth development activities.

The Senate recedes with an amendment requiring the State plan to describe the involvement of parents and business in vocational education activities.

124e. The House bill, but not the Senate amendment, requires a description of how the State will serve single parents, displaced homemakers, and single pregnant women and promote the elimination of sex bias without mandating a set-aside.

The House recedes.

125. Under the Senate amendment, but not the House bill, the third part of the plan, developed by representatives of education, describes workforce education activities.

The Senate recedes.

125a. The Senate amendment, but not the House bill, requires a description of how the funds will be allocated among adult education, and among secondary and postsecondary vocational education programs. [Note: The House bill has separate grants for youth and for adult education and literacy.]

The House recedes with an amendment requiring the State plan to describe how vocational education funds will be allocated among secondary and postsecondary and adult vocational education.

125b. In the House bill, goals and progress indicators for adult education and family literacy must be described in the plan as a condition of receiving funds. In the Senate amendment, performance indicators for workforce education activities must be identified in the plan.

The House recedes with an amendment moving the reference to performance indicators from this section to a single reference following the description of the State goals and benchmarks included in the State plan.

125c. The Senate amendment, but not the House bill, requires a description of the workforce education activities to be carried out.

The House recedes with technical amendments.

125d. The Senate amendment requires a description of how the State will address the adult education needs of the State. The House bill includes an assessment of adult education needs in section 104(b)(2)(B). (See Note 121c)

The Senate recedes.

125e. The Senate amendment, but not the House bill, requires a description of how the State will disaggregate data relating to at-risk youth.

The Senate recedes.

125f. The Senate amendment, but not the House bill, requires a description of how the

State will adequately address the needs of at-risk youth in alternative education programs.

The Senate recedes.

125g. The Senate amendment, but not the House bill, requires a description of how the workforce education funds and activities are an integral part of State efforts to improve education.

The House recedes with an amendment requiring the State plan to describe how the State will address the needs of students participating in vocational education activities to be taught to the same challenging academic proficiencies as all students.

125h. The Senate amendment, but not the House bill, requires a description of how the State will annually evaluate the effectiveness of the workforce education plan.

The House recedes with technical amendments.

125i. The Senate amendment requires a description of how the State will address the professional development needs for workforce education activities. (See Note 124b for related House provision)

The House recedes with technical amendments.

125j. The Senate amendment, but not the House bill, requires a description of how the State will provide technical assistance to local educational agencies.

The House recedes.

125k. The Senate amendment, but not the House bill, requires a description of how the State will assess its progress in implementing student performance measures.

The Senate recedes.

126. Under the Senate amendment, a State must provide additional information in the plan to be eligible for funds for at-risk youth. However, a State is not required to provide such information in order to be eligible for funds for other workforce development activities.

The House recedes with an amendment requiring a description to be included in the State plan of the State's at-risk youth activities and adult education and literacy activities.

127. The Senate amendment provides that the Governor may develop the entire plan with the consent of certain representatives of education. The House bill provides for the Governor, through the collaborative process, (which includes representatives of education) to develop the plan. (See Notes 118 and 121a)

The Senate recedes.

Conditions

128. Under the House bill, in order for a State to receive a grant under one or more of the programs, it must: establish a collaborative process, develop a plan, and comply with the requirements of the Act. Additional requirements must be satisfied in order to receive an adult education and literacy grant. The Senate amendment provides that a State plan will be approved if the State has: included the required information in the plan, developed the strategic plan through the collaborative process, and negotiated the State benchmarks.

The House recedes with an amendment providing that in order to receive funds, a State must submit a State plan containing all required elements and prepared through the collaborative process.

128a. The House bill requires States to meet additional grant requirements, including establishing goals, progress indicators, and performance measures, in order to receive funds for adult education and literacy.

The House recedes.

Provisions regarding local Workforce Development Area/Boards

129. Under the House bill, the Governor is required to designate local workforce development areas through the collaborative process, after consultation with local chief elected officials, and after considering comments received through public participation. The Senate amendment requires plan information on substate areas. (See Note 123a)

The House recedes.

Criteria for selection

130. Under the House bill, a State is required to establish a local workforce development board in each local workforce development area. Under the Senate amendment, a State may elect to have local workforce development boards in substate areas, but is not required to do so. (See Note 182)

The House and Senate recede.

131. Both the House bill and the Senate amendment allow the Governor to establish criteria for use by local chief elected officials in the selection of members of local boards. The House bill requires the Governor to determine the criteria through the collaborative process. (See Note 183)

The House and Senate recede.

Certification

132. Under the Senate amendment, but not the House bill, if a State elects to establish State and local workforce development boards, or elects to offer services through vouchers beginning in program year 2000, it may use up to 50% of the funds in the flex account for economic development.

The Senate recedes.

133. Under the House bill, but not the Senate amendment, the Governor is authorized to certify biennially one board for each workforce development area. If a workforce development area is a State, the collaborative process may serve as the local workforce development board.

The House recedes.

One-stops/integrated career center systems

134. The House bill, but not the Senate amendment, requires the Governor to ensure the establishment of an integrated career center system by local workforce development boards within each local workforce development area. The Senate amendment requires the Governor to establish a statewide approach to integrating employment and training activities. (See Note 321)

The House recedes.

135. The House bill, but not the Senate amendment, requires the Governor, through the collaborative process, to establish statewide criteria for selecting career center providers. (See Note 322)

The House recedes.

136. Both the House bill and the Senate amendment require States to implement a statewide approach to the delivery of employment and training, based on the concept of integrated or one-stop career centers, although the requirements of each bill differ. (See Note 323)

The House and Senate recede.

136a. The House bill requires a system where common intake, assessment, and job search are provided. The Senate amendment provides as an option a system where core services are provided, regardless of point of entry. (See Note 323a)

The House and Senate recede.

136b. Both the House bill and the Senate amendment allow for access points that are electronically or computer linked. The House bill further provides for the availability of labor market information and common management information across the system. (See Note 323b)

The House and Senate recede.

136c. The House bill requires at least one physical, co-located career center (to the extent practicable), but encourages a network of such centers combined with affiliated sites. The Senate amendment provides as an option, that there be core services available at not less than one physical location in each substate area, and also allows for a combination of the options listed above.

The House and Senate recede.

137. The House bill, not the Senate amendment, permits the Governor, through the collaborative process, to develop alternatives to the integrated career center system, subject to approval by the Secretaries. (See Note 328)

The House recedes.

Identification of education/training providers

138. The House bill requires an identification process for determining which service providers are eligible to receive funds for adult training or vocational rehabilitation programs through vouchers, skill grants, or otherwise. The Senate amendment has no such requirement, other than to identify in the State plan the criteria for eligible providers, if a State chooses to offer services through vouchers. (See Note 339)

The Senate recedes with an amendment providing that certain programs of post-secondary educational institutions are automatically eligible to be providers of training services.

The Managers recognize the demonstrated effectiveness of the Center for Employment and Training (CET) in providing employment education, training, and placement services to low income individuals. While it is recognized that States and local boards require flexibility in choosing the most appropriate training models to meet their individual needs, it is the Managers' intent, where possible, that exemplary models of demonstrated effectiveness such as CET be replicated on the State and local levels.

139. The House bill, but not the Senate amendment, establishes an alternative eligibility procedure for service providers that are not eligible to participate in title IV of the Higher Education Act of 1965. (See Note 340)

The Senate recedes with an amendment requiring the Governor to establish an alternative procedure to determine the eligibility of other public and private providers of training services that are not determined to be automatically eligible.

The Managers recognize that both private non-profit and for-profit providers of training services should be encouraged to participate fully as providers of training services. Since 1980, private sector professional firms have developed extensive programs to serve the growing training needs of our rapidly changing economy and workforce. Research indicates that the training market in the information technology training industry alone totaled $2 billion in 1994, most of this provided by commercial firms. This section of the legislation will enable States to authorize a wide variety of training providers to participate in training programs. This expanded provider involvement will allow program participants to access the training through both public and private providers that will best enable them to enter or reenter the workforce. By ensuring that one provider is not favored over another, this section provides maximum consumer choice and easy access to services.

140. The House bill requires the State to identify performance-based information to be submitted by service providers. The Senate amendment has no such requirement, other than to identify in the State plan information related to ensuring the accountability of service providers, if a State chooses to offer services through vouchers. (See Note 341)

The Senate recedes with an amendment describing the information that is required to be submitted by providers seeking eligibility

under the alternative procedure, and additional information that the Governor may also require.

141. Under the House bill, but not the Senate amendment, the Governor must designate a State agency to collect, verify, and disseminate performance-based information relating to service providers, along with a list of eligible providers, to local workforce development boards and integrated career center systems. (See Note 342)

The Senate recedes with an amendment requiring the Governor to designate a State agency to collect and disseminate the required information, receive applications from providers, and publish a list of eligible providers of training services.

The conference agreement allows States to accept from service providers offering programs not automatically eligible for participation in training programs, performance information consistent with requirements for eligibility under Title IV of the Higher Education Act.

The Managers note that regulations implementing Title IV include provisions regarding the calculation of completion rates (34 CFR 668.8(f)) and of placement rates (34 CFR 668.8(g)). The regulations permit Title IV eligibility only for those programs with substantiated completion rates of at least 70 percent and with substantiated placement rates of at least 70 percent (34 CFR 668.8(e)). States are encouraged to adopt similar standards in establishing their performance information requirements.

142. Under the House bill, but not the Senate amendment, a service provider who provides inaccurate, performance-based information will be disqualified from receiving funds under this Act for two years, unless upon an appeal the provider can demonstrate that the information was provided in good faith. (See Note 343)

The Senate recedes with an amendment providing that providers who intentionally supply inaccurate information shall have their eligibility terminated for at least two years. Providers who fail to meet required performance criteria or otherwise materially violate the provisions of the title may also have their eligibility terminated. The Governor is required to establish an appeals process.

The provision of inaccurate information to the designated State agency is grounds for disqualification of a provider from program participation for two years or longer. The purpose of this provision is to penalize providers that intentionally and fraudulently misrepresent program performance to obtain eligibility. The Managers do not intend that providers be disqualified on the basis of minor errors in information submitted to the designated Stat agency, such as small errors in math.

143. Under the House bill, but not the Senate amendment, on-the-job training providers are exempt from this section, except that performance-based information on such providers must be collected and disseminated. (See note 344)

The Senate recedes with an amendment stating that providers of on-the-job training are exempt from these requirements. The Governor may require one-stop career centers to collect and disseminate performance information about on-the-job training providers.

144. The House bill, but not the Senate amendment, provides that nothing in this section prohibits a State from providing services. (See Note 345)

The House recedes.

Accountability

145. Both the House bill and the Senate amendment require States to submit a performance report each year. The House bill, but not the Senate amendment, requires reporting on performance of local areas and local entities; and public disclosure of such reports. The Senate amendment, but not the House bill, requires the results of any ongoing State evaluations of workforce development activities. (See Note 163)

The House recedes with an amendment requiring States to submit an annual report on their progress toward meeting their goals and benchmarks.

146. The House bill, but not the Senate amendment, requires States to submit a report for adult education and literacy.

The House recedes.

147. The Senate amendment, but not the House bill, allows States to submit a consolidated workforce development and welfare assistance report to the Federal Partnership, the Secretary of Agriculture, and the Secretary of Health and Human Services.

The Senate recedes.

Core indicators/goals and benchmarks

148. The Senate amendment establishes two principal goals for each statewide system: (1) providing meaningful employment and (2) improving skills.

The House recedes.

149. The House bill, but not the Senate amendment, requires each State to develop a statewide performance accountability system. The Senate amendment requires a job placement accountability system. (See Note 165)

The House recedes.

150. Under the House bill each State must identify indicators of performance, consistent with State goals, which at a minimum must include core indicators as provided under this section. The Senate amendment required benchmarks. (See Note 152)

The House recedes.

151. The House bill, but not the Senate amendment, requires the Secretaries of Labor and Education to collaborate with States, representatives of business and others to develop technical definitions of core indicators.

The House recedes.

152. The House bill requires common core indicators for adults, with additional indicators specifically for adult employment and training, adult education and literacy, and vocational rehabilitation. The House bill also requires core performance indicators for youth. The Senate amendment requires States to develop benchmarks for attaining the goals of meaningful employment and improved skills.

The House recedes with an amendment combining the core indicators for adults in the House bill with the employment benchmarks in the Senate bill and combining the core indicators for youth development and career preparation in the House bill with the education benchmarks in the Senate bill. The amendment also clarifies that employment benchmarks apply to employment and training activities and, where appropriate, to at-risk youth activities and adult education and literacy activities. The education benchmarks apply to vocational education activities, at-risk youth activities and where appropriate, adult education and literacy activities.

152(a) While certain of the House bill's core indicators are similar to the Senate amendment's benchmarks, the House bill's indicators are organized around youth and adults. The Senate amendment's benchmarks correspond to employment and education.

The House recedes with an amendment requiring States to develop minimum measures for certain specific populations, to measure how these populations are meeting the State's employment and education goals and benchmarks. States may also develop such measures for additional populations.

153. The House bill, but not the Senate amendment, also requires, through the collaborative process, the establishment of goals for improving literacy and progress indicators to evaluate local providers receiving literacy funds.

The House recedes.

154. The Senate amendment, but not the House bill, allows States to use existing performance measures for skills attainment.

The House recedes with an amendment clarifying that the special rule applies to a State that adopts performance indicators, attainment levels, or assessments.

The Managers intend that if a State has already implemented a system of evaluation, that State may use this system rather than developing a new system of measures. The Managers recognize many States have already established rigorous State academic measures for both vocational and non-vocational students and the Managers do not want to duplicate the efforts of these States. The Managers want to make sure however, that if a State desires to change these measures, the Special Rule does not preclude any State from revising their State academic or other standards. The Managers also want to clarify that the decision of whether or not to use existing State measures is a State decision and is not mandated by this bill.

155. Under the House bill, but not the Senate amendment, each State must identify expected levels of performance for local areas, which may be adjusted by the Governor through the collaborative process.

The House recedes.

156. Under the House bill, the Secretaries, through collaboration with States, representatives of business, and others, must identify challenging levels of performance with respect to core indicators. Under the Senate amendment, the Federal Partnership must establish model benchmarks based on existing State efforts.

The House recedes with an amendment providing that the Secretaries shall provide technical assistance to States that request such assistance in the development of State benchmarks, which may include the development of model benchmarks.

If the Secretaries of Education and Labor decide to develop model benchmarks in order to provide effective technical assistance to the States, the Secretaries must do so in collaboration with the States and with other appropriate parties. The Managers intend that this collaborative process include Governors, leading representatives of business and industry, representatives of employees, leaders in education and training, parents, and other interested parties for the identification of challenging benchmarks which States may use as models in development of their own State benchmarks. Such process may also include the development of technical definitions for use by the States in measuring the benchmarks, in order to encourage nationwide comparability of data.

157. The Senate amendment, but not the House bill, provides a process through which States negotiate with the Federal Partnership to determine appropriate benchmark levels.

The Senate recedes.

Incentives

158. Both the House bill and Senate amendment provide incentive grants based on performance. The House bill provides incentive grants an grants for exemplary statewide system design, funded through the adult and employment training grant. [Note: State to local incentive grants are discussed under the heading ''Uses of Funds'']

The House and Senate recede.

159. The Senate amendment, but not the House bill, provides incentive grants of up to $15 million annually to States that (1) reach or exceed their benchmarks, (2) reduce the number of welfare recipients, or (3) choose to offer services through vouchers.

The House recedes with an amendment providing that the Secretaries may award incentive grants of not more than $15 million per year to States that reach, exceed, or demonstrate continuing progress toward reaching State benchmarks. In order for a State to be eligible to receive an incentive grant, the Governor and eligible agency must agree on all contents of the State plan. If the State is not eligible for receipt of an incentive grant, the Secretaries shall provide technical assistance to the State upon request. A State that is initially determined ineligible for an incentive grant will have 30 days to revise its benchmarks.

Sanctions

160. The Senate amendment, but not the House bill, allows the Federal Partnership to determine the imposition of sanctions of States that have failed to demonstrate progress toward reaching their benchmarks over three years.

The House recedes with an amendment providing that a State that fails to meet its benchmarks for the 3-years covered by a State plan, may be sanctioned by the Secretaries by up to 10 percent of its total block grant allotment.

161. Both the House bill and the Senate amendment permit the Secretaries to reduce funding for poor performance. The House bill provides for a reduction of 5% based on the State's degree of failure. The House bill also provides for technical assistance.

The Senate recedes with an amendment providing that the Secretaries may determine whether the State's failure to meet its benchmarks was attributable to one or more categories of activities authorized under this title. If so, the Secretaries may provide technical assistance or reduce the portion of the allotment for the responsible category not more than 10 percent.

161a. Under the Senate amendment, but not the House bill, if a State has submitted an integrated plan under section 105(b)(5), the Secretaries may reduce only the portion of funding (up to 5%) for the category of activities—workforce employment or workforce education—to which the failure is attributable. States would also be required to transfer an equal percentage of funds from such reduced category of activities to the other category and spend such amount in accordance with the integrated plan.

The Senate recedes.

161b. Under the Senate amendment, but not the House bill, funds returned by the Secretaries as a result of a reduction may be used to award incentive grants.

The House recedes with technical amendments.

Local sanctions and consequences

162. The House bill, but not the Senate amendment, allows the Governor, through the collaborative process, to establish criteria for determining poor performance of local entities.

The House recedes.

162a. The House bill, but not the Senate amendment, allows the Governor, through the collaborative process, to provide technical assistance to local workforce development areas that perform poorly. Continued poor performance may result in a reduction of funds or other corrective action.

The House recedes.

Evaluations

163. Both the House bill and the Senate amendment provide for ongoing evaluations of employment-related activities, including the use of controlled experiments using groups chosen by random assignment. In the House bill, the Secretary of Labor performs the evaluations, and in the Senate amendment the States perform the evaluations. (See Note 417a)

The House recedes with an amendment requiring States to conduct ongoing evaluations of employment and training activities through the use of controlled experiments. Such evaluations would determine, at a minimum, whether employment and training activities effectively raise the hourly wage rates of participants. States would be required to conduct at least 1 evaluation during any period in which the State is receiving funding, but could enter into an agreement with another State to share the costs of such evaluation.

164. The House bill, but not the Senate amendment, also allows the Secretary of Labor to conduct evaluations of other Federal employment-related programs to determine their effectiveness. (See Note 417b)

The House recedes.

Job placement accountability system

165. The Senate amendment, but not the House bill, requires each State to establish a job placement accountability system to provide a uniform set of data to measure progress of the State toward reaching its benchmarks.

The Senate recedes.

Management information system

166. The House bill, but not the Senate amendment, authorizes each State to design a unified management information system for reporting and monitoring programs and workforce development expenditures. Such system must ensure privacy protections.

The Senate recedes with an amendment authorizing States to operate fiscal and management accountability information systems that streamline reporting and monitoring of Federal funds for employment and training activities and at-risk youth activities. In addition, States are authorized to utilize quarterly wage records available through the unemployment insurance system to facilitate reporting on employment benchmarks. The State is required to protect the confidentiality of any information obtained pursuant to the fiscal and management accountability information system through the use of recognized security procedures and shall also comply with the provisions of the Family Education Rights and Privacy Act under Section 444 of the General Education Provisions Act.

Other

167. The Senate amendment, but not the House bill, provides that States monitor the participation of individuals who are engaged in workforce activities as a condition of receiving welfare assistance.

The Senate recedes.

General State provisions

168. Both the House bill and the Senate amendment include provisions for disallowed costs. Under the House bill, expenditures disallowed by either Secretary for adult employment and training, at-risk youth, or vocational rehabilitation, may be repaid from funds allocated for such grants in subsequent years. Under the Senate amendment, the Governor may deduct workforce employment funds allocated to substate areas in subsequent program years.

The House recedes with an amendment providing that if the Secretaries require a State to repay funds because a local eligible provider of employment and training activities or at-risk youth activities has expended funds in a manner contrary to the objectives of the block grant, and such expenditure does not constitute fraud, embezzlement, or other criminal activity, the Governor may deduct an equal amount from a subsequent program year allocation to the local workforce development area from funds available for administration of such activities in the local area, for such repayment.

Workers' rights

169. The Senate amendment, but not the House bill, contains limitations on the uses of funds.

The House recedes.

169a. The Senate amendment prohibits funds from being used to pay the wages of incumbent workers.

The House recedes.

169b. The Senate amendment restricts the use of funds in connection with the relocation of businesses.

The House recedes with an amendment clarifying that the business which has relocated was originally located within the United States.

170. Both the House bill and the Senate amendment prohibit the displacement of currently employed workers, although the House bill applies only to the adult employment and training and youth grants.

The House recedes.

171. Both the House bill and the Senate amendment prohibit the impairment of existing contracts. However, the House bill further requires that any program inconsistent with such an agreement must have the approval of the labor organization and the employer.

The Senate recedes with technical amendments.

172. Both the House bill and the Senate amendment prohibit the replacement of terminated employees, although there are several differences in content.

The Senate recedes with technical amendments.

173. Both the House bill and the Senate amendment address health and safety with different standards. The Senate amendment also requires standards for workers' compensation.

The House recedes with an amendment clarifying that to the extent workers' compensation law is applicable in a State, then workers' compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State engaged in similar employment.

174. The Senate amendment, but not the House bill, provides standards for employment conditions for subsidized employment.

The House recedes.

175. Both the House bill and the Senate amendment address anti-discrimination through different means.

The Senate recedes with an amendment stating that nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, color, religion, sex, national origin, age, or disability and that except as otherwise permitted in law, no individual may be discriminated against with respect to participation in certain workforce and career development activities. In addition, nothing in this Act shall be construed to provide an individual with an entitlement to a service or to establish a right for an individual to bring any action for a violation of a requirement of this section or to obtain services, except through the grievance procedure specified in this section.

The phrase ''Except as otherwise permitted in law'' is intended to bring Federal workforce and career development activities within the scope of relevant civil rights provisions which recognize specific exceptions to general prohibitions against discrimination. For example, Title IX of the Education

Amendments Act of 1972, which prohibits discrimination based on sex in any education program receiving Federal financial assistance, exempts certain institutions, associations and activities from its terms. Since workforce and career development activities may include ''education programs' within the meaning of Title IX, institutions, associations and activities that are exempt form Title IX are likewise exempt from this provision's proscription against sex-based discrimination.

176. The Senate amendment, but not the House bill, provides for a grievance procedure and remedies for violation under this section.

The House recedes with an amendment requiring States to establish a grievance procedure for resolving complaints alleging violations of any of the prohibitions or requirements described in this section.

176a. The Senate amendment, but not the House bill, provides remedies that may be imposed under this paragraph for violations of the prohibitions and requirements described in this subsection.

The House recedes with an amendment providing that the Secretary of Labor shall require a State to repay funds expended in violation of the prohibition against business relocation.

GED requirements

177. The Senate amendment, but not the House bill, prohibits participation in certain workforce employment activities until an individual has obtained a diploma or its equivalent, or is enrolled in a program to obtain the same.

The House recedes with an amendment prohibiting an individual from participating in training services until such individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent. An individual would not be denied such training services, however, if the requirement is determined to be inappropriate after an interview, evaluation or assessment, and counseling. Funds made available for training services may be used to provide State-approved adult education and literacy activities to help individuals meet the requirement.

Drug testing

178. The Senate amendment, but not the House bill, requires local providers to administer a drug test to applicants, on a random basis, and to participants, upon reasonable suspicion of drug use.

The House recedes with an amendment providing additional safeguards to the mandatory requirement that States conduct drug testing of participants in training services. Such safeguards include voluntary guidelines based upon the Mandatory Guidelines for Federal Workplace Drug Testing Programs, immunity from liability, prohibition against the use of drug test results in criminal actions, and reporting requirements to prevent unnecessary multiple tests.

American made

179. The House bill, but not the Senate amendment, includes a provision encouraging the purchase of American-made products.

The Senate recedes with an amendment striking the notice requirement with respect to the purchase of American-made products.

No entitlement to services

180. The House bill prohibits private rights of action for services under the adult employment and training title. The Senate amendment provides that no individual is entitled to services under the Act.

The House and Senate recede.

LOCAL ROLE

Establishment of local workforce development boards

182. The House bill requires the Governor to ensure the establishment of workforce boards within each workforce development area. The Senate amendment allows, but does not require, the State to establish local workforce boards in each substate area. (See Note 130)

The Senate recedes with an amendment requiring the establishment of a local workforce development board in each local workforce development area in a State.

183. Both the House bill and the Senate amendment allow the Governor to establish criteria for use by local chief elected officials in the selection of members of local boards. The House bill requires the Governor to determine the criteria through the collaborative process. (See Note 131)

The House recedes with an amendment requiring the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan.

184. Both the House bill and the Senate amendment include minimum requirements for representation on local workforce boards.

The Senate recedes with an amendment requiring a majority of business representatives on the local board.

184a. Both the House bill and the Senate amendment require a majority business representation. The House bill further specifies the types of representatives.

The Senate recedes with an amendment inserting ''a majority of members who are representatives of business and industry in the workforce development area appointed from among nominations submitted by local business organizations and trade associations;''.

184b. Both the House bill and the Senate amendment require representation of one or more individuals with disabilities.

The House and Senate recede.

184c. Both the House bill and the Senate amendment include representatives of education. The House bill further specifies the types of representatives, including training providers.

The House recedes with an amendment requiring representatives of education on the local board.

184d. Both the House bill and the Senate amendment include representatives of community-based organizations, employees, and veterans. The Senate amendment includes a minimum 25% representation requirement for this category of representatives excluding veterans.

The Senate recedes with an amendment requiring representatives of employees, which may include labor, on the local board. Additional members of the board may include individuals with disabilities, parents, veterans, and community-based organizations.

185. The House bill requires that the local board elect its chairperson from among the members of its board, and allows the board to adopt its operating procedures. The Senate amendment requires that each local board select a chairperson from its business members.

The Senate recedes with an amendment requiring the local board to elect its own chairperson from among the members of the board.

186. The House bill includes provisions governing the selection of members of local workforce boards, including provisions governing the appointment of board members by locally-elected officials, in areas with multiple jurisdictions. The Senate amendment contains similar provisions governing selection of representatives of local partnerships, but not of local boards (See Note 199c).

The Senate recedes with an amendment authorizing the chief local elected official to appoint the members of the local board. Where a local workforce development area is comprised of more than one unit of local government, the chief elected officials of such units are authorized to enter into an agreement defining their respective roles. If the chief elected officials are unable to reach agreement, the Governor is authorized to appoint the members of the local board.

187. The House bill, but not the Senate amendment, authorizes the Governor to biennially certify one local workforce board for each workforce development area. (See Note 133)

The Senate recedes with an amendment authorizing the Governor to annually certify one local board in each local workforce development area. Such certification shall be based on criteria outlined in the State plan and for a second or subsequent certification the extent to which the local board has ensured that local programs have met expected levels of performance. Failure to achieve certification shall result in reappointment of another local board pursuant to the requirements of this section. A Governor may decertify a local board at any time for fraud, abuse, or failure to perform its required duties (with the exception of the duty of negotiate with the Governor on local benchmarks and on the designation of one-stop career centers).

The references to Governor in the certification process shall mean that that the Governor or the Governor's designee is authorized to certify local workforce development boards.

188. Under the House bill, if the workforce development area is a State, the State collaborative process may serve as the local workforce development board. (See Note 133). The Senate amendment contains a comparable provision for the local partnership. (See Note 201)

The Senate recedes with an amendment providing an exception for small States that may designate the members of the collaborative process at the State level to carry out the required activities in this section.

189. The House bill and the Senate amendment list certain duties/functions of local workforce boards.

Legislative counsel.

189a. Both the House bill and the Senate amendment require local workforce boards to develop, and submit to the Governor, a local workforce development plan. The House bill requires a biennial plan, and a local approval process. If the board is unable to obtain the approval of local officials, the plan may be submitted directly to the Governor, with the comments of such officials. The Senate amendment requires a 3-year plan, but contains no comparable local approval process, but does require that the board consult with chief elected officials. (See Note 193)

The Senate recedes with an amendment requiring local boards to conduct the following activities: (1) develop and submit to the Governor a local workforce development plan, outlining the employment and training activities and at-risk youth activities to be carried out in the local area; (2) designate or certify one-stop career and center eligible providers in the local area, award competitive grants to at-risk youth eligible providers, and conduct oversight with respect to local programs; and (3) make recommendations to the Governor identifying eligible providers of training services.

190. The Senate amendment, but not the House bill, requires the local board to enter into local agreement with the Governor including how funds shall be spent for workforce development activities. (See Note 199).

The Senate recedes.

191. The House bill requires the local board to identify and assess the needs of the local workforce development area. A similar provision is included in the Senate amendment under the local plan.

The House recedes.

192. The House bill and the Senate amendment contain budget and oversight duties for the local board. (See related Note 192b)

The House recedes.

192a. The House bill requires the local board to develop a budget for the adult training and the at-risk youth programs, and the integrated career center system, subject to the approval of the local elected official(s). (See related Note 192b)

The House recedes.

192b. The House bill requires the local board (in partnership with the local elected official(s)) to conduct oversight of the above-listed programs. The Senate amendment requires the local board to oversee the operation of the one-stop delivery system, including the designation of local entities and approval of annual budgets. (See related Note 192a)

The House recedes with an amendment requiring the local board and the Governor to negotiate and reach agreement on local benchmarks to measure the performance of employment and training activities and at-risk youth activities and the process to be used by the local board to designate or certify one-step career center eligible providers. The Governor and the local board may agree to certify a one-stop career center provider that was established prior to the date of enactment of this Act.

192c. The Senate amendment, but not the House bill, also requires the local board to submit annual progress reports to the Governor.

The Senate recedes.

193. The Senate amendment requires that the local board's functions be conducted in consultation with the local chief elected official(s). (See Notes 189a, 192a and 192b for related House provisions)

The House recedes with an amendment requiring the local board to consult with the chief local elected official in developing the local plan, to provide copies of the local plan to such official, and to include any recommendations submitted by such official with the local plan submitted to the Governor.

194. The House bill provides that the local board may receive and disburse funds for adult training and at-risk youth programs, or may designate a fiscal agent (which may include the State through a mutual agreement between the local board and the State). The Senate amendment contains no comparable provision.

The House recedes.

194a. The House bill allows the local board to employ its own staff. The Senate amendment contains no comparable provisions.

The House recedes.

The Managers agree that statutory language authorizing local boards to employ staff is not necessary, as such authority is implicit in the legislation. Up to 10 percent of employment and training funds and at-risk youth distributed to local workforce development areas may be spent on administrative expenses. While local workforce development boards may use a portion of these administrative funds to employ necessary staff (limited to 4 percent under the at-risk) youth provisions), the Managers intend that such administrative, and in particular staff expenses of local boards be limited. Because local boards will no longer be involved in the operation of programs (with limited exceptions), as well as the significant reduction of paperwork and reporting requirements as a result of this legislation, the administrative expenses of local boards should be significantly reduced from those currently spent by private industry councils under the Job Training Partnership Act.

195. The House bill, but not the Senate amendment, specifies that the local board may not operate programs established under this Act. The House bill further allows Governors to prohibit employees of agencies from providing staff support to local boards.

The Senate recedes with an amendment prohibiting local boards from carrying out employment and training activities, unless granted a waiver by the Governor.

Although the conference agreement allows a Governor to waive restrictions that prohibit a local workforce development board from directly providing services, the Mangers believe this authority should be exercised only on rare occasions. One example would be in a rural area where a competitive selection process has produced no other qualified service provider with demonstrated expertise. The workforce development board should be the service provider of last resort.

Clearly, a key element of this Act is the reliance on the provision of services by entities who meet certain qualification standards and are able to achieve specified positive outcomes. This, the Managers believe, is best accomplished through an open, fair and competitive process to select entities to provide services to eligible individuals.

196. The House bill and the Senate amendment contain similar conflict of interest provisions. Under the House bill, the Governor is authorized to enforce more rigorous standards. The Senate amendment allows the Governor to determine activities that constitute a conflict of interest. The Senate amendment also prohibits local board members from voting on matters that would benefit immediate family members.

The Senate recedes with an amendment prohibiting the local board from engaging in activities that constitute a conflict of interest and requiring the local board to make available to the public information regarding the board's activities in the local area.

197. The House bill allows the Governor, through the collaborative process, to require local boards to carry out other duties as determined appropriate.

The House recedes.

198. Under the Senate amendment, but not the House bill, if a State elects to establish State and local boards, or elects to offer services through vouchers (starting in the year 2000), it may use up to 50% of its flex account funds for economic development. (See Note 132)

The Senate recedes.

Local agreements

199. The Senate amendment, but not the House bill, requires the Governor to enter into agreements with local partnerships (or where established, local boards), regarding workforce development activities in each substate area.

The Senate recedes.

199a. Under the Senate amendment, the local partnership (or local board) may make recommendations on the allocation of funds for, or administration of, workforce education activities, in accordance with the Act.

The Senate recedes.

199b. The Senate amendment requires that local partnerships be established by the chief local elected official and includes representation requirements.

The Senate recedes.

199c. The Senate amendment provides for the appointment of the partnership, by local elected officials, in areas with multiple jurisdictions. (See Note 186 for comparable House provision).

The Senate recedes.

199d. The Senate amendment includes required representation of business in the partnership, and a requirement that business representatives have a lead role in the partnership's activities.

The Senate recedes.

199e. The Senate amendment lists the contents of the local partnership agreement.

The Senate recedes.

200. Under the Senate amendment, but not the House bill, if the Governor is unable to reach agreement with the local partnership (or board), The Governor shall provide the local partnership (or board) an opportunity to comment on fund allocation.

The Senate recedes.

201. The Senate amendment allows a State to be treated as a substate area for purposes of the partnership and local board requirements. (See Note 188 for comparable House provision.)

The Senate recedes.

USE OF FUNDS

Education/youth

202. Both the House bill and the Senate amendment reserve funds for State activities.

The House bill grants general authority to States to conduct State programs and activities using not more than 8% of funds allotted to the State. The Senate amendment requires the State educational agency to carry out statewide workforce education activities using 20% of funds made available to the State. (See Note 218a)

The Senate recedes with a technical amendment providing that the eligible agency shall conduct State programs and activities.

203. The House bill specifically lists 12 permissible activities for which the 8% of State funds may be used. The Senate amendment lists 3 broad categories of permissible activities for which 20% of the State funds may be used.

The Senate recedes with an amendment providing a list of permissible State uses of funds.

203a. The House bill, but not the Senate amendment, allows a State to use money from their 8% State held funds to make performance awards to local communities who have exceeded their performance goals, implemented exemplary youth programs at the local level, or provided exemplary education services and activities for at-risk youth.

The House recedes.

204. The House bill, but not the Senate amendment, requires institutions receiving funds at the local level under the youth development and career preparation grant to use the monies to improve youth development and career-related education programs.

The House recedes with a technical amendment.

205. Both the House bill and the Senate amendment have required uses of funds. The House bill requires that funds received by eligible institutions at the local level for in-school youth programs shall be used for specific programs. The Senate amendment requires that funds received by the State educational agency shall be used for specific workforce education activities.

The Senate recedes with a technical amendment.

The Managers intend that activities such as purchasing, leasing or upgrading equipment, including instructional material; in-service training of vocational and academic instructors; apprenticeship programs; and those activities which provide strong experience in, and understanding of, all aspects of the industry students are preparing to enter not be precluded from funding at the local level. The bill's list of required activities is

not meant to limit schools and school districts' ability to find creative ways to meet their education goals.

205a. Both the House bill and the Senate amendment require integration of academic and vocational education, linkages of secondary and postsecondary education, and career guidance and counseling. In addition, the Senate amendment requires tech-prep to be implemented as part of linking secondary and postsecondary education.

The House recedes with an amendment modifying the list of required local uses of funds for vocational education activities.

205b. Both the House bill and the Senate amendment have additional required uses of funds.

The Senate recedes with an amendment with additional required local activities for vocational education.

206. The House bill, but not the Senate amendment, lists eleven additional permissible uses of funds by eligible institutions at the local level for in-school youth programs.

The House recedes.

At-risk-youth

207. The House bill, but not the Senate amendment, grants general authority for local workforce development boards to subgrant to providers for programs that serve at-risk and out-of-school youth. (See Note 283)

The House recedes.

208. The Senate amendment, but not the House bill, grants authority to the Secretary of Labor and Secretary of Education, acting jointly on the advice of the Federal Partnership, to make allotments to States to enable the Secretary of Labor and the States to carry out at-risk youth programs. (See Note 284)

The Senate recedes.

209. The Senate amendment, but not the House bill, requires the Secretary of Labor to continue funding for Job Corps centers who received assistance under part B of title IV JTPA in FY 1996 and which were not closed under section 156. (See Note 285)

The Senate recedes.

210. The Senate amendment, but not the House bill, requires States to use a portion of the funds reserved for Indians and Native Hawaiians to make grants to eligible entities to run summer job programs that provide work-based learning opportunities that are directly linked to year-round school-to-work activities. The Senate amendment further requires that no funds shall be used to displace employed workers. (See Note 286)

[Statutory cite to subsection (c)(3) is incorrect. Statutory cite should be subsection (c)(4) which is the allotment for at-risk youth.]

The Senate recedes.

211. The House bill, but not the Senate amendment, lists 8 program elements which local workforce development boards are required to provide for at-risk and out-of-school youth. (See Note 210 for the Senate amendment's required activities.)

The House recedes.

212. The House bill lists additional permissible uses of funds by eligible providers at the local level for at-risk/out-of-school youth programs. (See Note 288). The Senate amendment permits States to make grants to eligible entities to carry out alternative programs or other activities for at-risk youth. The activities are not specifically listed.

The House and Senate recede.

213. The House bill, but not the Senate amendment, limits administrative funds used by a local workforce development board to no more than 10%. (See Note 289)

The House recedes.

214. The House bill, but not the Senate amendment, does not permit local workforce boards to operate programs (See Note 195), and requires that they subcontract to eligible providers. (See Note 290)

The House recedes.

215. The House bill, but not the Senate amendment, lists eligible providers to receive contracts from the local workforce development board including: (1) eligible institutions including local educational agencies, area vocational schools, intermediate educational agencies; postsecondary institutions including community colleges, State corrections educational agency and any consortia of the aforementioned list; (2) local government entities; (3) private, nonprofit organizations including community based organizations; (4) private, for-profit entities; or (5) other organizations or entities that have a demonstrated effectiveness and have been approved by the local workforce development board. (See Note 291).

The House recedes.

Maintenance of effort

216. The Senate amendment, but not the House bill, requires that States expend the same amount of money, or more, for workforce education activities as they did the preceding fiscal year in order to receive Federal funds. The Senate amendment further provides that the Federal Partnership may grant a waiver to a State for a 95% maintenance-of-effort requirement for 1 year only.

The House recedes with an amendment which provides that if the Federal share for a State decreases, then the fiscal effort required of the State shall be decreased by the same percentage as the percentage decrease in the overall amount made available to the State. The amendment also corrects a previous calculation of maintenance of effort.

LIMITATIONS

Supplement not supplant

217. Both the House bill and the Senate amendment provide that funds used by a State shall supplement and not supplant other public funds for workforce education and youth development and career preparation programs. The House requirement applies to youth development programs, not adult education. The Senate amendment applies to workforce education programs.

The House recedes with a technical amendment.

Allocation for State/Local programs

218. Both the House bill and the Senate amendment have a within State allocation. (See related Note 293)

Legislative counsel.

218a. The House bill provides that the Governor, through the collaborative process, allocate not less than 90% of funds to the local level. The Senate amendment provides that the State educational agency distribute 80% of funds to eligible local entities.

The Senate recedes with a technical amendment.

218b. The House bill requires not less than 90% of a State's funds for the youth block grant go to the local level to serve in-school and at-risk/out-of-school youth, not more than 8% for State programs and not more than 2% for administration. The Senate amendment requires that 80% of a State's funds for workforce education go to the local level, and 20% for State activities (with no more than 5% of such 20%) for administration.

The Senate recedes with an amendment providing that not less than 85 percent of funds be distributed to the local level, not more than 11 percent for State programs, and not more than 4 percent for administrative expenses.

219. The Senate amendment provides that the State educational agency shall determine how workforce education funds are allocated among secondary vocational education, postsecondary vocational education and adult education programs. The House bill provides separate funding streams for a youth development and career preparation grant and for an adult education and literacy grant.

The House recedes with an amendment requiring the eligible agency to determine how vocational education funds will be allocated between secondary vocational education and postsecondary and adult vocational education.

220. The House bill, but not the Senate amendment, requires that of the 90% of funds sent to the local level, not less than 40% of the funds must be used for programs serving in-school youth and not less than 40% of the funds must be used for programs to serve at-risk and out-of-school youth. Of the remaining 20% of funds, the Governor, through the collaborative process, can distribute one-half of the remaining funds by formula and one-half by either discretionary grant or formula.

The House recedes.

Within State formula

221. Both the House bill and the Senate amendment provide for a within State formula.

Legislative counsel.

221a. The House bill requires the Governor, through the collaborative process, to develop a formula taking into account local poverty rates, the proportion of the State's youth population residing within local communities and other factors considered appropriate. In establishing the formula, the Governor shall ensure that funds are equitably distributed throughout the State and that the factors described above do not receive disproportionate weighting.

The House recedes with a technical amendment.

221b. The Senate amendment requires distribution of funds for secondary school vocational education to be distributed according to the current Perkins law formula—70% allocated on Title I ESEA formula, 20% allocated based on the number of children served under IDEA, and 10% allocated on the total number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of local educational agencies.

The House recedes with an amendment providing that the formula for distribution of funds for secondary school vocational education be distributed as follows: 70 percent based on the number of children aged 5 to 17 living in poor families; and 30 percent based on the overall number of students within the local educational agency. The amendment also allows an eligible agency to develop an alternative formula if such formula distributes more funds to local educational agencies with the highest number or percentage of poor students.

The Managers recognize that States are in a better position to know their needs and have therefore provided a waiver which allows the eligible agency the option to develop an alternative formula which would better target poor areas—both those with high populations of poor and those with high percentages of poor. The Managers intend that providing a waiver for high percentages of poor will enable more funds to flow to poor, rural areas. The requirement that an alternative formula target more dollars to school districts that serve the ''highest'' number or ''greatest'' percentage of poor children is meant to include a group of such districts, not a single district. A State may determine the range of poor districts that it will target with an alternative formula.

222. Both the House bill and the Senate amendment establish minimum grant awards of $15,000 for a local educational agency or consortium of such agencies.

The House recedes.

223. Both the House bill and the Senate amendment permit a State to grant a waiver for the minimum grant amount in cases where the eligible recipient is located in a rural, sparsely populated area; and demonstrates that they are unable to enter into a consortium for purposes of providing services.

The House recedes with a technical amendment.

224. The Senate amendment, but not the House bill, requires that any funds not allocated by reason of minimum grant award for secondary school vocational education shall be redistributed to local educational agencies.

The House recedes with an amendment allowing an eligible agency to redistribute funds to rural, poor areas.

The Managers are concerned that not enough of the Federal dollars are reaching rural, poor areas. Language is included which creates a source of funds for eligible agencies to distribute to high poverty rural areas which are often in greater need. Funds for this purpose would come from funds not distributed to districts which failed to qualify for the minimum grant. These funds would be distributed only to poor, rural areas that were ineligible to receive formula funds.

225. The Senate amendment, but not the House bill, retains current Perkins law prohibiting funds from being allocated to a local educational agency that serves only elementary schools.

The House recedes.

226. The Senate amendment retains current Perkins law in allocating funds to area vocational education schools or educational service agencies. The House bill provides funding for area vocational education schools and educational service agencies in the within State formula. (See Note 221a)

The House recedes with an amendment striking the requirement that area vocational schools serve more low-income or disabled students than the LEA.

227. The Senate amendment, but not the House bill, retains current Perkins law which provides that funds for postsecondary and adult vocational education shall be distributed according to the formula in current Perkins law which gives priority to institutions serving Pell Grant and Bureau of Indian Affairs recipients. The House bill provides funding for postsecondary education in the within State formula. (See Note 221a)

The House recedes with an amendment striking the reservation for corrections vocational education.

227a. The Senate amendment, but not the House bill, allows the Federal Partnership to waive the postsecondary and adult vocational education formula in favor of a more equitable distribution of funds upon application from the State educational agency.

The House recedes with an amendment striking the additional criteria for the alternative formula.

228. Both the House bill and the Senate amendment establish minimum grant awards of $50,000 to postsecondary institutions or consortium of such institutions.

The House recedes.

229. The House bill, but not the Senate amendment, allows secondary-postsecondary institutions to form consortia to receive grant funds with a minimum award of $50,000.

The House recedes.

230. The Senate amendment, but not the House bill, requires that any funds not allocated by reason of minimum grant awards for postsecondary and adult vocational education shall be redistributed to eligible institutions.

The House recedes.

231. The House bill, but not the Senate amendment, prevents consortium from forming to receive funds and then separate immediately after and divide the funds. The House bill further requires that consortia must form for the purposes established under the youth development and career preparation title and to stay in a consortia arrangement for purposes of delivering services to youth.

The Senate recedes with conforming amendments.

232. The House bill, but not the Senate amendment, establishes minimum grant awards of $15,000 for local workforce development boards to serve at-risk/out-of-school youth. (Section repeated. See Note 295)

The House recedes.

233. The Senate amendment requires States to reserve an amount of funds from the amount they receive for postsecondary and adult voational education to distribute to State corrections agencies. The House bill allows States to use funds from their 8% of State monies for corrections education. (See Note 203)

The House recedes with an amendment providing that corrections institutions may receive funds for any of the four authorized activities.

234. The Senate amendment, but not the House bill, includes definitions for ''eligible institution,'' low-income,'' and ''Pell Grant recipient'' that only apply to the within State formula.

The House recedes with an amendment striking the references to ''eligible institutions'' and ''low-income'' and moving the definition of ''Pell Grant recipient'' to the general definitions section.

Local process for receipt of funds

235. The house bill, but not the Senate amendment, states that in order to receive a grant at the local level, the local workforce development board and eligible institution(s) must form a partnership. The purpose of the partnership is to allow for collaborative planning, coordination of programs serving in-school and at-risk/out-of-school youth and allow for effective public participation. (See Note 296)

The House recedes.

236. Both the House bill and the Senate amendment provide for a local application. (The Senate amendment has a separate at-risk application. See related Note 297b)

The House recedes with an amendment requiring local entities to submit an application to the eligible agency for vocational educational funds.

236a. The House bill states that the partnership must develop and submit for approval to the Governor, through the State collaborative process, a comprehensive plan outlining how they are planning to serve both in-school and at-risk/out-of-school youth.

The House recedes.

236b. The Senate amendment requires each eligible entity to submit an application to the State educational agency for funding of workforce education activities (including vocational education activities for youth and adults). The Senate amendment further includes a list of items to be included in the application.

The House recedes with an amendment modifying the local application for vocational education funds.

237. The House bill, but not the Senate amendment, requires the partnership assure the involvement of parents, teachers and the local community in the planning process. (See Note 298)

The House recedes.

238. The House bill, but not the Senate amendment, provides that the Governor, through the collaborative process, is authorized to develop procedures for the resolution of issues in dispute. (See Note 299).

The House recedes.

239a. The House bill outlines that funds directed to the local level from the State to serve in-school youth must go to schools and eligible institutions. Funds directed to the local level from the State to serve at-risk youth will be sent to the local workforce development board to be subgranted to eligible entities for programs to serve at-risk and out-of-school youth.

The House recedes.

239b. The Senate amendment distributes secondary and postsecondary workforce education funds by formula to schools. (See Notes 221, 226, & 227). At-risk youth funds are distributed by competitive grants to local entities. (See Note 300).

The House recedes.

Adult education and literacy

240. The House bill and the Senate amendment provide funds for adult education and literacy. The House bill provides a separate Adult Education and Family Literacy Block Grant. The Senate amendment provides that the State educational agency shall determine how workforce education funds are allocated among secondary vocational education, postsecondary vocational education and adult education and literacy programs. (See Note 219).

The Senate recedes on the requirement that the State educational agency allocate workforce education funds.

241. The House bill, but not the Senate amendment, requires States to use 3% off the top of their Adult Education block Grant to provide funds, on a competitive basis to local service providers that have provided adult education or family literacy services to certain target populations.

The House recedes.

242. The House bill provides that States may use no more than 12% of funds received under the Adult Education block Grant, after the deduction of the 3% for target populations, for a variety of specified activities. The Senate amendment lists 3 broad categories of permissible activities for which 20% of workforce education funds reserved at the State level may be used.

The Senate recedes with an amendment providing that not more than 10 percent of adult education and literacy funds may be spent for a variety of State activities, including professional development, technical assistance, technology assistance, regional literacy networks, and evaluation.

Matching

243. The House bill, but not the Senate amendment, requires that a State receiving a grant shall spend, from non-Federal funds, an amount equal to 25% of the State's initial and additional allotments of the year for adult education and family literacy services.

The Senate recedes with technical amendments.

244. The House bill, but not the Senate amendment, provides that States may use no more than 3% of their block grant, or $50,000, whichever is greater, for planning, administration, interagency coordination and support for integrated career center systems. The Senate amendment requires that 80% of a State's funds for workforce education go to the local level, and 20% for State activities (with no more than 5% of such 20%) for administration. (See Note 218a)

The Senate recedes with an amendment providing that not more than 5 percent or $50,000 (whichever is greater) of adult education and literacy funds shall be spent on administrative expenses.

245. The Senate amendment, but not the House bill, sets a local administrative cost limit of 5% on agencies, organizations, institutions or consortiums which provide adult education instructional activities. Such funds may be used for planning, administration, personnel development and interagency coordination.

The Senate amendment further allows the State educational agency to negotiate with grant recipients in cases where cost limits would be too restrictive to permit them from carrying out allowable activities.

The House recedes with an amendment substituting the references to ''State educational agency'' with ''eligible agency.''

Distribution

246. The House bill and the Senate amendment provide for the distribution of funds to local providers.

Legislative counsel.

246a. The House bill provides that States are to use 85% of funds under the block grant to make grants, on a competitive basis, to local service providers. The Senate amendment provides that a State educational agency shall award grants for adult education, on a competitive basis to eligible entities and/or a consortia of such entities.

The House recedes with an amendment requiring that 85 percent of the adult education and literacy funds be allocated to local providers, and lists the entities eligible for assistance.

246b. The House bill and the Senate amendment have similar lists of eligible entities, but the House provision is contained under its ''equitable access'' provisions. (See Note 247a)

The House recedes with an amendment adding ''family literacy services'' to a list of eligible entities.

247. Both the House bill and the Senate amendment provide a list of grant requirements.

Legislative counsel.

247a. Both the House bill and the Senate amendment include a provision requiring direct and equitable access to all eligible entities.

The House recedes with an amendment substituting the reference to ''State educational agency'' with ''eligible agency'' and restricting the use of adult education and literacy funds for programs that serve non-adult populations, unless such programs are related to family literacy services.

247b. The House bill, but not the Senate amendment, requires a State to give priority to local service providers which demonstrate joint planning with local workforce development boards and integrated career center systems.

The House recedes.

247c. The Senate amendment, but not the House bill, requires States to consider the past effectiveness of applicants in providing services, the degree to which the applicant will coordinate and utilize other literacy and social services available in the community and the commitment of the applicant to serve those in the community who are most in need of literacy services.

The House recedes with technical amendments.

248. The Senate amendment, but not the House bill, allows a State educational agency under certain circumstances to award a grant to a consortium that includes an eligible entity and a for-profit agency, organization or institution.

The House recedes with a technical amendment.

249. The House bill, but not the Senate amendment, allows a local service provider which receives a grant from a State under this subtitle to negotiate with a local workforce development board with respect to receipt of payments for adult education and literacy services provided by a provider to adults referred to the provider by a program supported by other titles of the House bill.

The House recedes.

250. The House bill, but not the Senate amendment, authorizes a local service provider receiving a grant under this block grant to receive payment for adult education and literacy services provided to an adult participating in programs authorized under other titles of the House bill, either in the form of a career grant or by some other means.

The House recedes.

251. The Senate amendment, but not the House bill, requires each eligible entity to submit an application to the State educational agency for funding of workforce education activities (including adult education activities). (See Note 236b)

The Senate recedes.

Use of funds

252. The House bill requires that local services providers which receive a grant must use such grant to establish or operate one or more programs that provide instruction or services within one or more of the following categories: adult basic education, adult secondary education, English literacy instruction, and family literacy services.

The Senate amendment lists literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions and programs for adults and out-of-school youth to complete their secondary education among their list of Workforce Education Activities. (See Senate Section 106(b)(4)(5))

The Senate recedes with an amendment requiring that adult education and literacy funds at the local level be used for adult education services, English literacy services, and family literacy services.

National Literacy Act

253. Both the House bill and the Senate amendment allocate funds for the National Institute of Literacy.

The House bill reserves $4.5 million in each fiscal year for the National Institute for Literacy. Such funds are reserved at the Federal level before distribution to the States.

The Senate amendment reserves 0.15% of the $5,884,000,000 authorization ($8,830,000) for four programs, including funds for the National Institute for Literacy.

The Senate recedes with an amendment authorizing the appropriation of $10 million for fiscal year 1997 and such sums through fiscal year 2002 for the National Institute for Literacy.

254. Both the House bill and the Senate amendment establish the National Institute for Literacy.

The House bill requires the Institute to be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretaries of Labor and Health and Human Services (the Interagency Group).

The Senate amendment requires the Institute to be administered by the Federal Partnership established under the Workforce Development Act of 1995.

The Senate recedes.

255. Both the House bill and the Senate amendment allow the inclusion in the Institute of any research and development center, institute or clearinghouse whose purpose is related to the purpose of the Institute.

Legislative counsel.

256. The Senate amendment, but not the House bill, requires the Institute to have offices separate from the offices of the Department of Education or the Department of Labor.

The House recedes.

257. Both the House bill and the Senate amendment require the Interagency Group (Federal Partnership) to consider recommendations of the National Institute for Literacy Advisory Board (National Institute Council) in planning the goals of the Institute and implementing programs to achieve such goals. Both the House bill and the Senate amendment require the daily operations to be carried out by the Director of the Institute.

The Senate amendment, but not the House bill, requires the Federal Partnership to provide a written explanation to the Council if it does not follow the Council's recommendations and allows the Council to request a meeting to discuss the Council's recommendations.

The Senate recedes.

258. Both the House bill and the Senate amendment set forth the duties and activities of the Institute, with differences.

The Senate recedes with an amendment listing the activities for the National Institute for Literacy.

259. Both the House bill and the Senate amendment permit the Institute to award fellowships with stipends and allowances which the Director considers necessary to outstanding individuals pursuing careers in adult education or literacy.

Legislative counsel.

260. Both the House bill and the Senate amendment provide that such fellowships be used to engage in research, education, training, technical assistance or other activities to advance the field of adult education or literacy.

Legislative counsel.

261. The Senate amendment, but not the House bill requires individuals receiving fellowships to be called ''Literacy Leader Fellows.''

The Senate recedes.

262. The House bill, but not the Senate amendment, allows the Institute to award paid and unpaid internships to individuals seeking to help the Institute. The House bill allows the Institute to accept and use voluntary and uncompensated services as they deem necessary.

The Senate recedes.

263. The House bill establishes the National Institute for Literacy Advisory Board. The Senate amendment establishes the National Institute Council.

The Senate recedes.

263a. Both entities serve in an advisory capacity and consist of ten individuals appointed by the President with the advice and consent of the Senate.

The Senate recedes.

263b. Both the House bill and the Senate amendment require that such individuals may not otherwise be officers or employees of the Federal Government and be representative of entities or groups described in Note 264.

The Senate recedes.

263c. The Senate amendment requires such individuals to be chosen from recommendations made to the President by individuals who represent such entities or groups.

The Senate recedes.

264. Both the House bill and the Senate amendment describe the entities or groups from which members are to be chosen. The only differences are that: (a) the House bill, but not the Senate amendment, includes providers of programs and services involving English language instruction; and (b) the House bill refers to ''representatives of employees'' and the Senate amendment refers to ''organized labor.''

The Senate recedes.

265. Both the House bill and the Senate amendment contain a list of duties for the Board (Council). The duties are the same.

The Senate recedes.

266. The Senate amendment, but not the House bill, requires the Council to be subject to the provisions of the Federal Advisory Committee Act.

The House recedes with an amendment substituting the reference to ''Council'' with ''Board.''

267. Both the House bill and the Senate amendment limit the term of members of the Board (Council) to three years. The Senate amendment prohibits a member from being appointed for not more than two consecutive terms. The House bill requires that initial terms for members may be one, two or three years in order to establish a rotation in which one-third of the members are selected each year.

The Senate recedes with an amendment requiring that any member of the Board may not be appointed for more than 2 consecutive terms.

268. Both the House bill and Senate amendment contain the same provisions for appointing members to fill a vacancy which occurs before the expiration of the term for which a member was appointed.

The Senate recedes.

269. Both the House bill and the Senate amendment contain provisions regarding the number of members required to constitute a quorum but allow a lesser number to hold hearings. Both the House bill and Senate amendment require that recommendations be passed only by a majority of its members.

The Senate recedes.

270. Both the House bill and Senate amendment provide for the election of a chairperson and vice chairperson. The House bill provides that each shall serve for a term of one year. The Senate amendment permits such individuals to serve for two years.

The House recedes.

271. Both the House bill and the Senate amendment provide that the Board (Council) shall meet at the call of the chairperson or a majority of its members.

The Senate recedes.

272. Both the House bill and the Senate amendment provide for gifts, bequests and devises.

The House bill allows the Institute to accept, administer and use gifts or donations of services, money or property, both real and personal.

The Senate amendment allows the Institute and the Council to accept (but not solicit), use, and dispose of gifts, bequests or devices of services or property for the purpose of aiding or facilitating the work of the Institute or Council. The Senate amendment requires such gifts, bequests or devices of money and proceeds from sales of other property to be deposited in the Treasury and be available for disbursement upon order of the Institute or the Council.

The Senate recedes.

273. Both the House bill and the Senate amendment permit the Board (Council) and the Institute to use the mails in the same manner as other departments and agencies.

The Senate recedes.

274. Both the House bill and the Senate amendment provide that the Interagency Group (Federal Partnership), after considering recommendations of the Board (Council) is to appoint and fix the pay of the Director. The Senate amendment provides that the Director of the Federal Partnership is also to appoint and fix the pay of the staff of the Institute.

The Senate recedes.

275. Both the House bill and the Senate amendment contain provisions regarding the applicability of certain Civil Service laws.

Legislative counsel.

276. Both the House bill and the Senate amendment contain identical provisions with respect to experts and consultants.

The Senate recedes.

277. Both the House bill and the Senate amendment require the Institute to submit a biennial report.

The House recedes.

277a. The House bill requires the report be submitted to the Interagency Group and the Congress. The Senate amendment requires the report be submitted to the appropriate committees of Congress.

The House recedes.

277b. The Senate amendment also includes a list of items which must be included in such report.

The House recedes with technical amendments.

278. The Senate amendment, but not the House bill, provides that funds appropriated to the Federal Partnership, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform, may be provided to the Institute.

The House recedes with an amendment striking the reference to ''the Federal Partnership.''

279. Both the House bill and the Senate amendment address State or Regional Adult Literacy Resources Centers.

The Senate amendment specifically provides for the establishment of a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to eliminate illiteracy. The House bill allows States and the Department of Education to fund these activities. (See Notes 242 & 282)

The House and Senate recede.

280. The House bill repeals the National Workforce Literacy Assistance Collaborative. (See Note 449a.) The Senate amendment repeals the authorization of appropriations for the National Workforce Literacy Assistance Collaborative.

The Senate recedes.

280a. Both the House bill and the Senate amendment repeal the Family Literacy Public Broadcasting Program. (See Note 449a for House repeal)

The Senate recedes.

281. The Senate amendment, but not the House bill, extends through the year 2001 the separate program providing literacy for incarcerated individuals. The House bill repeals this program. (See Note 449a for House repeal)

The House recedes.

282. The House bill, but not the Senate amendment, requires the Secretary of Education to carry out a program of national leadership and evaluation activities to enhance the quality of adult education and family literacy programs nationwide. The House bill outlines the list of authorized activities, includes the information to be received from a national evaluation, and allows the Secretary to carry out activities directly or through grants, contracts and cooperative agreements.

The House recedes.

At-risk youth

283. The House bill, but not the Senate amendment, grants general authority for local workforce development boards to subgrant to providers for programs that serve at-risk and out-of-school youth. (See Note 207)

The Senate recedes with an amendment providing authority to carry out at-risk youth activities.

284. The Senate amendment, but not the House bill, grants authority to the Secretary of Labor and Secretary of Education, acting jointly on the advice of the Federal Partnership, to make allotments to States to enable the Secretary of Labor and the States to carry out at-risk youth programs. (See Note 208)

The Senate recedes.

285. The Senate amendment, but not the House bill, requires the Secretary of Labor to continue funding for Job Corps centers who received assistance under part B of title IV JTPA in FY 1996 and which were not closed under section 156. (See Note 209)

The Senate recedes.

286. The Senate amendment, but not the House bill, requires States to use a portion of the funds reserved for Indians and Native Hawaiians to make grants to eligible entities to run summer job programs and provide work-based learning opportunities that are directly linked to year-round school-to-work activities. Senate amendment requires that no funds shall be used to displace employed workers. (See Note 210)

[Statutory cite to subsection (c)(3) is incorrect. Statutory cite should be subsection (c)(4) which is the allotment for at-risk youth.]

The Senate recedes.

287. The House bill, but not the Senate amendment, lists 8 program elements which local workforce development boards are required to provide for at-risk and out-of-school youth. (See Note 286 for the Senate amendment's required activities)

The Senate recedes with an amendment providing required program elements for at-risk youth activities.

288. The House bill lists additional permissible uses of funds by eligible providers at the local level for at-risk and out-of-school youth programs. (See Note 212). The Senate amendment permits States to make grants to eligible entities to carry out alternative programs or other activities for at-risk youth programs. The activities are not specifically listed.

The Senate recedes with an amendment providing additional program elements for at-risk youth activities.

289. The House bill, but not the Senate amendment, limits administrative funds used by local workforce development boards to no more than 10%. (See Note 213)

The House recedes.

290. The House bill, but not the Senate amendment, does not permit local workforce boards to operate programs (See Note 195), and requires that they subcontract to eligible providers. (See Note 214)

The Senate recedes with an amendment prohibiting a local workforce development board from operating programs, but allowing the local board to contract with eligible providers of at-risk youth activities of demonstrated effectiveness.

291. The House bill, but not the Senate amendment, lists eligible providers to receive contracts from the local workforce development board including: (1) eligible institutions including local educational agencies; postsecondary institutions including community colleges, State corrections educational agency and any consortia of the aforementioned list; (2) local government entities; (3) private, nonprofit organizations including community based organizations; (4) private, for-profit entities; or (5) other organizations or entities that have a demonstrated effectiveness and have been approved by the local workforce development board. (See Note 215)

The Senate recedes with an amendment allowing Governors or local workforce development boards to approve other organizations or entities of demonstrated effectiveness as eligible providers of at-risk youth activities.

The Managers recognize the demonstrated effectiveness of the Center for Employment and Training (CET), the Youth Build Program, the Employability Program developed at North Omaha's Sacred Heart School (which helps students in a low-income minority district with high unemployment to

obtain skills needed to retain meaningful employment), and the Opportunities Industrialization Centers of America in providing employment education, training, and placement services to at-risk youth. While it is recognized that States and local workforce development boards require flexibility in choosing the most appropriate training models to meet their individual needs, it is the Managers' intent, where possible, that exemplary models of demonstrated effectiveness such as CET be replicated on the State and local levels.

292. The Senate amendment, but not the House bill, provides that at-risk youth funds be expended in accordance with the State's laws and procedures. (See Note 112)

The Senate recedes.

Allocations for State/local programs

293. Both the House bill and the Senate amendment have a within State allocation. (See related Note 218)

The House recedes with a technical amendment.

293a. The House bill requires that not less than 90% of a State's funds for the youth grant go to the local level to serve in-school and at-risk/out-of-school youth, not more than 8% for State programs and not more than 2% for administration. The Senate amendment requires that 85% of a State's funds for at-risk youth activities go to the local level and 15% for State activities.

The House recedes with an amendment distributing funds for at-risk youth activities and outlining the development of a within State formula that must take into account certain factors for the distribution of local funds. The amendment further outlines the awarding of grants. Funds are distributed as follows: 75 percent to local workforce development areas; 21 percent to the Governor; and 4 percent for administrative purposes at the State level.

294. The House bill, but not the Senate amendment, requires that of the 90% of funds sent to the local level, not less than 40% of the funds must be used for programs to serve at-risk and out-of-school youth. Of the remaining 20% of funds, the Governor, through the collaborative process, can distribute one-half of the remaining funds by formula and one-half by either discretionary grant or formula. (See Note 220)

The House recedes.

295. The House bill, but not the Senate amendment, establishes minimum grant awards of $15,000 for local workforce development boards to serve at-risk/out-of-school youth. (See Note 232)

The House recedes.

296. The House bill, but not the Senate amendment, states that in order to receive a grant at the local level, the local workforce development board and eligible institution(s) must for a partnership. The purpose of the partnership is to allow for collaborative planning, coordination of programs serving in-school and at-risk/out-of-school youth and allow for effective public participation. (See Note 235)

The House recedes.

297. Both the House bill and the Senate amendment provide for a local application.

The House recedes.

297a. The House bill states that the partnership must develop and submit for approval to the Governor, through the State collaborative process, a comprehensive plan outlining how they are planning to serve both in-school and at-risk/out-of-school youth. (See Note 236)

The House recedes.

297b. The Senate amendment requires eligible entities to submit an application to the Governor for funding of certain at-risk youth activities.

The House recedes with an amendment requiring entities to submit a local application in order to receive funding.

298. The House bill, but not the Senate amendment, requires the partnership to assure the involvement of parents, teachers and the local community in the planning process. (See Note 237)

The House recedes.

299. The House bill, but not the Senate amendment, provides that the Governor, through the collaborative process, is authorized to develop procedures for the resolution of issues in dispute. (See Note 238)

The House recedes.

300. The House bill outlines that funds directed to the local level from the State to serve at-risk and out-of-school youth will be sent to the local workforce development board to be subgranted to eligible entities. The Senate amendment distributes funds for at-risk youth programs to local entities in part by competitive grants. (See Note 239b for House provision, and Note 297 for Senate provision.)

The House recedes.

Job Corps

301. The Senate amendment contains provisions regarding Job Corps. The House bill has no comparable provisions, but retains Job Corps under current law.

The House recedes.

302. The Senate amendment, but not the House bill, provides for definitions relating to Job Corps which includes a definition for ''at-risk youth''. (See Note 15 for House definition of ''at-risk 75 youth''.)

The House recedes with an amendment striking the definition of at-risk youth.

303. The Senate amendment, but not the House bill, provides specific purposes for Job Corps.

The House recedes.

304. The Senate amendment, but not the House bill, establishes a Job Corps program in the Department of Labor.

The House recedes with an amendment striking the reference to the ''National Board''.

305. Under the Senate amendment, but not the House bill, only at risk youth are eligible for Job Corps.

The House recedes with an amendment providing requirements to be eligible to become an enrollee of the Job Corps program.

306. The Senate amendment, but not the House bill, requires the Secretary of Labor to prescribe procedures for screening and selecting applicants, after consultation with States and localities.

The House recedes with an amendment striking the references to State workforce development boards and local partnerships.

306a. The Senate amendment, but not the House bill, lists requirements for such screening and selection, provides for their implementation, and requires consultation with individuals and organizations.

The House recedes with an amendment requiring that in addition to other factors, the Secretary of Labor assure that Job Corps enrollees include an appropriate number of candidates selected from rural areas.

306b. The Senate amendment, but not the House bill, contains special limitations on enrollees.

The House recedes.

307. The Senate amendment, but not the House bill, provides requirements for the enrollment in, and assignment to, Job Corps centers.

The House recedes.

308. The Senate amendment, but not the House bill, provides for the eligibility and selection of operators of Job Corps Centers, the character and activities of those centers, and special provisions for Civilian Conservation Centers and centers operated by Indian Tribes.

The House recedes.

309. The Senate amendment, but not the House bill, requires Job Corps centers to provide workforce development activities to meet the needs of enrollees through or in coordination with the statewide system. The Senate amendment also requires the Secretary of Labor to establish a job placement accountability system for Job Corps Centers.

The House recedes with an amendment requiring the Secretary of Labor to establish a fiscal and management accountability system for Job Corps centers and to coordinate its activities, carried out through the fiscal and management accountability systems for States, if any.

309a. The Senate amendment, but not the House bill, provides for advance career training programs for certain Job Corps enrollees.

The House recedes.

309b. The Senate amendment, but not the House bill, provides for full benefits or a montly stipend for participants in an advanced training program.

The House recedes.

310. The Senate amendment, but not the House bill, provides for personal allowances for Job Corps enrollees.

The House recedes.

311. The Senate amendment, but not the House bill, requires center operators to submit a plan to the Secretary of Labor for approval. The Senate amendment lists the requirements for such plan.

The House recedes with conforming and technical changes.

312. The Senate amendment, but not the House bill, requires the Secretary of Labor to provide standards of conduct, including a zero tolerance policy for violence and drug abuse, to be enforced by the center directors.

The House recedes.

313. The Senate amendment, but not the House bill, directs the Secretary of Labor to encourage community participation and establishes a selection panel for center operators. The Senate amendment also requires each center director to engage in certain community outreach efforts.

The House recedes with conforming and technical changes.

314. The Senate amendment, but not the House bill, directs the Secretary of Labor to ensure that Job Corps enrollees receive counseling and placement.

The House recedes.

315. The Senate amendment, but not the House bill, authorizes the Secretary of Labor to use advisory committees to assist Job Corps activities.

The House recedes.

316. The Senate amendment, but not the House bill, provides that Job Corps enrollees are not to be considered Federal employees except with respect to the Internal Revenue Code, the Social Security Act, Federal workers' compensation, and Federal tort claims.

The House recedes.

317. The Senate amendment, but not the House bill, contains special provisions relating to Job Corps, including directing the Secretary of Labor to take steps to achieve an enrollment of 50% women, State tax exemptions, and minimum management fee requirements.

The House recedes.

318. The Senate amendment, but not the House bill, provides for a review of all Job Corps Centers by March 31, 1997, and lists the requirements for such review.

The House recedes with an amendment requiring the Secretary of Labor to establish a National Job Corps Review Panel consisting of nine persons to conduct a review of Job Corps activities to be completed not later than July 31, 1997.

318a. The Senate amendment, but not the House bill, requires the National Board to make recommendations to the Secretary of Labor on how to improve Job Corps, including the closure of 5 centers by September 30, 1997 and 5 centers by September 30, 2000.

The House recedes with an amendment striking all references to the ''National Board'' and inserting ''National Job Corps Review Panel''.

318b. The Senate amendment, but not the House bill, provides that the National Board take into account specific considerations in recommending the closure of centers.

The House recedes with an amendment striking all references to the ''National Board'' and inserting ''National Job Corps Review Panel''.

318c. The Senate amendment, but not the House bill, requires the National Board to submit a report of its findings not later than June 30, 1997.

The House recedes with an amendment striking all references to the ''National Board'' and inserting ''National Job Corps Review Panel'', and changing the date the report must be submitted from June 30 to August 30, 1997.

318d. The Senate amendment, but not the House bill, requires the Secretary to implement improvements in Job Corps, including the closure of 10 centers, and report annually to Congress.

The House recedes with an amendment requiring the Secretary of Labor, if initiating a new Job Corps center, to make it a priority on placing Job Corps centers in those States without existing Job Corps centers.

The Managers intend that the States without existing Job Corps Centers receive a priority, but that the quality of applications continue to be a primary consideration.

319. The Senate amendment, but not the House bill, provides for the Secretary of Labor to carry out his responsibilities, notwithstanding other provisions of the title.

The House recedes.

320. The Senate amendment, but not the House bill, has an effective date of July 1, 1998 for the Job Corps provisions, except for the report, which will begin immediately.

The House recedes.

EMPLOYMENT AND TRAINING ACTIVITIES

One-stops/integrated career center system

321. The House bill requires the Governor to ensure the establishment of an integrated career center system by local workforce boards within each workforce development area. The Senate amendment has no comparable provisions. (See Note 134)

The Senate recedes with an amendment requiring States to establish one-stop career center systems.

322. The House bill, but not the Senate amendment, requires the Governor, through the collaborative process, to establish statewide criteria for selecting career center providers. (See Note 135)

The House recedes.

323. Both the House bill and the Senate amendment require States to implement a statewide approach to the delivery of employment and training, based on the concept of integrated or one-stop career centers, although the requirements of each bill differ. (See Note 136)

The Senate recedes with conforming amendments.

323a. The House bill requires a system where common intake, assessment, and job search are provided. The Senate amendment provides as an option, a system where core services are provided, regardless of point of entry.

The House recedes with an amendment providing that core services may be provided through a network that assures participants that such services will be available regardless of where the participants initially enter the statewide system, including through multiple, connected access points, linked electronically or technologically.

323b. Both the House bill and Senate amendment allow for access points that are electronically or computer linked. The House bill further provides for the availability of labor market information and common management information across the system

The House and Senate recede.

323c. The House bill requires at least one physical, co-located career center (to the extent practicable), but encourages a network of such centers combined with affiliated sites. The Senate amendment provides as an option, that there are core services available at not less than one physical location in each substate area, and also allows for a combination of the options listed above.

The House recedes with an amendment providing that core services may be provided through a network of career centers which can provide core services and services authorized under the Wagner-Peyser Act to individuals; at not less than one physical, co-located center in each workforce development area of the State, which provides comprehensive core services to individuals seeking such services; or through some combination of the options described in this section.

323d. The House bill requires that labor market information compiled pursuant to title II of the Wagner-Peyser Act be available through all career centers and affiliated sites. The Senate amendment has no comparable provision.

The Senate recedes with an amendment providing that labor market information, shall be available through the one-stop career center system.

323e. The House bill, but not the Senate amendment, provides that an entity or consortium of entities in a local workforce area may be designated by the local board to operate a career center, and lists certain eligible entities.

The Senate recedes with an amendment listing public and private eligible providers that may be designated or certified to operate a one-step career center. The amendment also includes an exception providing that elementary and secondary schools shall not be eligible to operate a one-stop career center.

324. Both the House bill and Senate amendment list core services to be provided through integrated career centers or one-stop delivery system.

The House recedes.

324a. The House bill requires that core services be provided on a universal and nondiscriminatory basis, with reasonable accommodations for individuals with disabilities. The Senate amendment contains no such specific provision, but also does not restrict eligibility for core services.

The House recedes with an amendment providing that core services shall be available to all individuals seeking such services.

324b. Both the House bill and Senate amendment require that outreach and intake for services be available, and the Senate amendment includes orientation to services available through the one-stop.

The House recedes.

324c. Both the House bill and Senate amendment include initial assessment of skill levels, service needs, and need for supportive services. However, the two bills differ in what is to be specifically assessed.

The House recedes.

324d. Both the House bill and Senate amendment require job search assistance (the Senate amendment also specifies placement assistance), and career counseling, although the Senate amendment provides for career counseling where appropriate. The House bill also includes career planning based on a preliminary assessment.

The House recedes.

324e. Both the House bill and Senate amendment provide for information related to the local labor market. However the language differs as to what is required.

The Senate recedes with an amendment providing that one-stop career center systems shall provide accurate labor market information relating to local and State, and if appropriate, to regional or national occupations in demand and skill requirements for such occupations, where available.

324f. The Senate amendment provides for information on the quality and availability of other workforce employment, education, and vocational rehabilitation activities, and for referral to such programs. The House bill also provides such information and referral to programs, but refers to specific programs.

The House recedes with an amendment providing that one-stop career centers shall provide accurate information relating to the quality and availability of workforce and career development activities and vocational rehabilitation activities; referrals to such programs; and the provision of information related to adult education and literacy activities through cooperative efforts with eligible providers of such activities.

324g. The House bill requires that information on eligibility for Federal education and training programs be provided. The Senate amendment requires such information on forms of public financial assistance.

The Senate recedes with an amendment requiring one-stop career centers to provide eligibility information relating to unemployment compensation, publicly-funded education and training programs, and forms of public financial assistance, such as student aid programs, that may be available in order to enable individuals to participate in workforce and career development activities.

324h. The House bill, but not the Senate amendment, requires that information on the performance of programs be available through career centers.

The Senate recedes with an amendment requiring one-stop career centers to provide performance information on eligible training providers.

324i. The Senate amendment, but not the House bill, requires that customized screening and referral be provided.

The Senate recedes.

324j. The Senate amendment, but not the House bill, requires information on performance of the substate area with respect to the State benchmarks.

The House recedes with an amendment requiring one-stop career centers to provide information on how the local workforce development areas are performing on their local benchmarks, and any additional performance information provided by the local boards.

324k. The House bill, but not the Senate amendment, requires career centers to accept applications for unemployment compensation. The Senate amendment allows States to co-locate with unemployment compensation services. (See Note 327)

The House recedes.

325. The House bill, but not the Senate amendment, specifies that career centers or affiliated sites may serve as the point of distribution of career grants.

The Senate recedes with an amendment providing that a one-stop career center may serve as the point of distribution of career grants for the purchase of training services.

326. The House bill, but not the Senate amendment, allows career center systems to contract out for core services for individuals with severe disabilities.

The House recedes.

327. Both the House bill and Senate amendment contain different permissible or additional services that may be provided through

the integrated career center or one-stop delivery systems.

The House recedes with conforming amendments and inserting additional discretionary one-stop activities.

328. The House bill, but not the Senate amendment, permits the Governor, through the collaborative process, to develop alternatives to the integrated career center system, subject to the approval of the Secretaries

The House recedes.

Employment and training use of funds

329. The Senate amendment, but not the House bill, requires the following use of funds for workforce employment activities: one-stop delivery of core services; establishment of a labor market information system; and establishment of a job placement accountability system.

The Senate amendment also permits the use of funds for: permissible one-stop activities; other permissible training activities; staff development; incentive grants; and the provision of training services through vouchers.

The House recedes with an amendment requiring that funds made available to a State and local workforce development areas for employment and training activities shall be used to carry out required State and local employment and training activities; to conduct a career grant pilot program; and may be used to carry out permissible State and local employment and training activities.

330. The House bill, but not the Senate amendment, requires that certain mandatory activities be conducted by the State, from funds reserved by the Governor under the Adult Employment and Training grant, including: rapid response activities; and additional assistance for other worker dislocation events.

The Senate recedes with an amendment requiring States to use a portion of their State-held employment and training funds for rapid response assistance; labor market information; and to conduct evaluations.

Discretionary activities

331. Both the House bill and the Senate amendment list certain discretionary activities. The House bill, not the Senate amendment, specifically lists certain activities to be carried out by the State, and funded from the Governor's reserve. Under the Senate amendment's, permissible activities under section 106(a)(6) (A) through (N) are listed below, starting with Note 333b.

The House recedes with an amendment inserting a new title ''PERMISSIBLE STATE ACTIVITIES'', with conforming and technical changes.

331a. Both the House bill and the Senate amendment allow funds to be used for staff development and training, but the House bill further allows for capacity building.

The House recedes with an amendment allowing a State to use State funds to provide professional development and technical assistance.

331b. Both the House bill and the Senate amendment allow for incentive grant awards, but the House bill further allows for research and demonstration.

The House recedes with an amendment allowing a State to use State funds to provide incentive grants to workforce development areas for exemplary performance in reaching or exceeding benchmarks.

331c. In addition, the House bill allows States to use State reserve funds for incumbent worker training; assistance for career center systems; support for a common management information system; and training in nontraditional employment.

The House recedes with an amendment allowing additional permissible State activities including; certain economic development activities; implementation of efforts to increase the number of individuals trained and placed in nontraditional employment; other employment and training activities that the State deems necessary to assist local workforce development areas; a fiscal and management accountability system; the establishment of the one-stop career center system; and the career grant pilot program.

332. The House bill requires that adult employment and training grant funds be used to provide core services to adults through career center systems. The Senate amendment requires that workforce employment funds be used to provide core services through one-stop delivery. (See Note 324)

The House recedes.

333. The House bill, but not the Senate amendment, requires that adult employment training grant funds be used to provide intensive services, through career center systems, to adults who are unable to obtain employment through core services, but provides discretion on the types of services. The Senate amendment provides that intensive services are a permissible one-stop delivery activity. (See Note 327)

The Senate recedes with an amendment providing that funds made available to local workforce development areas shall be used to provide core services to individuals through the one-stop career center system of the State; and to provide training services to individuals who are unable to obtain employment through the core services and who after an interview, evaluation or assessment, and counseling, have been determined to be in need of training services.

333a. The House bill, but not the Senate amendment, specifies that intensive services may include: comprehensive and specialized assessments; individual employment plans; identification of employment goals; group or individual counseling and career planning; case management; and follow up counseling for up to 1 year.

The House recedes.

333b. Both the House bill and the Senate amendment permit the use of funds for case management and follow-up services.

The Senate recedes with an amendment authorizing training services which may include occupational skills training; on-the-job-training; skills upgrading and retraining for persons not in the workforce; and basic skills training when in combination with at least one of the other services listed.

334. The House bill requires that adult employment training grant funds be used to provide education and training services for only those adults who are unable to obtain employment through core or intensive services, and who are unable to obtain other grant assistance, but provides discretion on the types of education and training services. The Senate amendment does not require funds to be spent on such training activities, nor are there prerequisites for obtaining such services.

The Senate recedes with an amendment requiring that funds may be used to provide training services for individuals who are unable to obtain other grant assistance for such services, including Federal Pell grants established under title IV of the Higher Education Act of 1965; or who require assistance beyond that made available from other grant assistance programs including Federal Pell grants. The amendment also provides that training services may be provided to an individual while an application for a Pell grant is pending, provided that if such individual is subsequently awarded a Pell grant, appropriate reimbursement is made to the workforce development area from such Pell grant.

334a. The House bill and the Senate amendment include comparable training services as permissible uses of funds, but also include different additional services.

The House recedes.

334b. The House bill permits funds to be used for remedial education and literacy programs. The Senate amendment provides for such services under workforce education activities.

The House recedes.

334c. Both the House bill and the Senate amendment allow for: occupational skills training, on-the-job training, programs that combine workplace training with related instruction; skill upgrading and retraining; entrepreneurial training; employability training; and customized training. The House bill also allows private sector training. The Senate amendment also includes: preemployment training for youth; rapid response assistance; connecting activities for businesses to provide work-based learning for youth; and services to assist individuals in attaining industry-based skills.

The House and Senate recede.

335. Both the House bill and the Senate amendment list supportive services as an allowable use of funds. However, the House bill limits such assistance.

The Senate recedes with an amendment providing for additional permissible services including supportive services which may be provided to individuals who are receiving training services; and who are unable to obtain such supportive services through other programs providing such services. Follow-up services for individuals who are placed in unsubsidized employment are also authorized.

335a. The House bill, but not the Senate amendment, specifies the allowable use of needs-related payments, with specific education and training participation requirements.

The Senate recedes with an amendment to add as a permissible local activity, the provision of needs related payments to individuals enrolled in training programs in order to enable their participation in such training services. In addition, certain time limits and payment caps were added for the provision of such payments.

336. The House bill, but not the Senate amendment, requires local boards to establish a priority process for providing intensive, or education and training services to dislocated workers and economically disadvantaged individuals when funding is limited.

The Senate recedes with an amendment to require that priority be given to dislocated workers and other unemployed individuals for receipt of training services with guidance provided to one-stop career centers by the Governor and local boards in establishing such policies.

The Managers agree that priority should be given to dislocated workers and other unemployed individuals in the provision of training services, when funding is limited. Such priority for services is consistent with the employment-first approach to training taken under the employment and training component of this legislation. This priority language however, is not intended to preclude the provision of training services to other individuals, particularly to low income employed individuals, for which training is essential to obtain high skilled employment. Substantial flexibility is granted to States and local workforce development areas in making such individual determinations.

Career grants/vouchers

337. The House bill requires that education and training services for adults be provided through the use of career grants (vouchers), with providers identified in accordance with section 108 of the House bill. Such grants

must be provided through the career center system. The Senate amendment allows, but does not require States to deliver some or all of the permissible employment activities under section 106(a)(6) through vouchers administered through the one-stop system.

The Senate amendment restricts the receipt of vouchers to individuals age 18 or older, who are unable to obtain Pell grants. The House bill also restricts receipt of career grants (vouchers). (See Note 334)

The Senate recedes with an amendment clarifying that training services may be provided through the use of career grants, and requiring States to carry out a career grant pilot program for dislocated workers that is of sufficient size, scope and quality to measure the effectiveness of the use of such a method of service delivery. The amendment requires States to describe in their State plan how the State will establish and implement the required career grant pilot program for dislocated workers and a description of how the State, after 3 years, will evaluate such program and use such findings to improve the delivery of training services for dislocated workers and other individuals. The amendment also requires that all training services shall be provided through the use of career grants, contracts, or other methods that shall to the extent practicable, maximize consumer choice in the selection of an eligible provider.

337a. The House bill, but not the Senate amendment, provides 4 exceptions to the required use of vouchers.

The House recedes.

337b. The House bill, but not the Senate amendment, allows a 3-year transition for the full implementation of vouchers, from the date of enactment.

The House recedes.

337c. The House bill, but not the Senate amendment, requires that education and training be directly linked to occupations in demand.

The Senate recedes.

338. Under the Senate amendment, but not the House bill, States that choose to use vouchers must describe in the State plan criteria for the activities, the amount of funds and the eligibility of participants and providers.

The Senate recedes.

339. The House bill requires an identification process for determining which service providers are eligible to receive funds for adult training or vocational rehabilitation programs. The Senate amendment has no such requirement, other than to identify in the State plan the criteria for eligible providers, if a State chooses to offer services through vouchers. (See Note 138)

The House and Senate recede.

340. The House bill, but not the Senate amendment, establishes an alternative eligibility procedure for service providers that are not eligible to participate in title IV of the Higher Education Act. (See Note 139)

The House recedes.

341. The House bill requires the State to identify performance-based information to be submitted by service providers. The Senate amendment has no such requirement, other than to identify in the State plan information related to ensuring the accountability of service providers, if a State chooses to offer services through vouchers. (See Note 140)

The House and Senate recede.

342. Under the House bill, but not the Senate amendment, the Governor must designate a State agency to collect, verify, and disseminate performance-based information relating to service providers, along with a list of eligible providers, to local workforce development boards, and integrated career center systems. (See Note 141)

The House recedes.

343. Under the House bill, but not the Senate amendment, a service provider who provides inaccurate performance-based information will be disqualified from receiving funds under this Act for two years, unless upon the appeal, the provider can demonstrate that the information was provided in good faith. (See Note 142)

The House recedes.

344. Under the House bill, but not the Senate amendment, on-the-job training providers are exempt from this section, except that performance-based information on such providers must be collected and disseminated. (See Note 143)

The House recedes.

344a. The House bill, but not the Senate amendment, provides that nothing in this section prohibits a State from providing services. (See Note 144)

The House recedes.

345. The Senate amendment, but not the House bill, requires a State that chooses to provide training activities must indicate in the State plan the extent to which the State will use vouchers to deliver such training activities.

The Senate recedes.

Substate allocation

346. The Senate amendment, but not the House bill, provides that funds made available for workforce employment activities (less Wagner-Peyser funds), and funds from the flex account dedicated to workforce employment activities, are available to the Governor to distribute as provided in the next Note. (See Note 347)

The Senate recedes.

347. The House bill allows Governors to reserve up to 20% of the State's allotment under the adult training grant for statewide activities and administration. From this 20% reserve, States are limited to 25% for administration. The Senate amendment allows Governors to reserve up to 25% to carry out workforce employment activities. From this 25% reserve, States are limited to 20% for administrative expenses.

The House recedes with an amendment requiring that of the funds made available for employment and training activities for a program year, 20 percent shall be reserved by the Governor to carry out State employment and training activities; and not more than 5% shall be made available for administrative expenses at the State level.

347a. The House bill requires that Governors allocate the remainder of funds to workforce development areas. The Senate amendment requires that Governors distribute 75% of funds to local entities.

The House recedes with an amendment requiring that of the funds made available for employment and training activities for a program year, 75 percent shall be distributed by the Governor to local workforce development areas to carry out employment and training activities.

347b. The House bill requires that of the funds to be distributed to workforce development areas, 90% be allocated based on a substate formula, established by the Governor, through the collaborative process and after consultation with local officials, taking into account: poverty rates; unemployment rates; the State's adult population within each local workforce area; and other factors as considered appropriate. The formula must distribute funds equitably, and none of the factors can receive disproportionate weighting.

The Senate amendment requires the Governor to distribute the 75% of funds to local entities based on such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65; individuals in poverty, unemployed individuals, and adult recipients of assistance. The Senate amendment also allows Governors, in consultation with local partnerships (or local boards) to include such additional factors as determined necessary.

The Senate recedes with an amendment requiring that the Governor develop a formula for the allocation of 75 percent of the employment and training funds to workforce development areas that must take into account certain factors for the distribution of local funds.

347c. The House bill, but not the Senate amendment, allows the Governor discretion over 10% of the funds required for distribution to local workforce boards.

The House recedes.

348. The House bill limits the administrative costs of the local workforce development board to 10%. The Senate has no comparable provision.

The Senate recedes with amendment striking ''board'' and inserting ''area.''

Flex account

349. The Senate amendment, but not the House bill, allows the use of flex-account funds for school-to-work, workforce employment activities, workforce education activities and economic development.

The House recedes with an amendment striking ''WORKFORCE''.

350. The Senate amendment, but not the House bill, requires States to use a portion of flex account funds for school-to-work activities, broadly defined. However, any State receiving a grant under the School-to-Work Opportunities Act of 1994, must continue such activities under the terms of the grant.

The Senate recedes.

351. Under the Senate amendment, but not the House bill, States may use flex account funds for either training activities or education activities, as the State decides.

The House recedes with an amendment allowing States to use flex-account funds to carry out employment and training, at-risk youth, vocational education, and adult education and literacy activities.

352. Under the Senate amendment, but not the House bill, a State may engage in economic development activities if the State has established State and local workforce development boards or provides services through vouchers beginning in the year 2000. A State may use up to 50% of the flex account funds to engage in the listed activities for upgrading skills of incumbent workers.

The Senate recedes.

FEDERAL

Administrative Partnership

353. The Senate amendment, but not the House bill, establishes in the Department of Labor and the Department of Education a Workforce Development Partnership (''Federal Partnership''), under the joint control of the Secretary of Labor and the Secretary of Education, to administer the Act.

The House recedes with an amendment requiring the Secretary of Labor and the Secretary of Education to enter into an interagency agreement to administer the provisions of this title, other than sections relasting to vocational education, labor market information and national literacy activities.

354. Under the Senate amendment, but not the House bill, the Secretary of Labor and the Secretary of Education, working jointly through the Federal Partnership, will be responsible for activities including: approving State plans and benchmarks, making allotments to States, awarding annual incentive grants, applying sanctions, designing the transfer of personnel and activities to the Partnership, and disseminating information and providing technical assistance to States.

The House recedes with an amendment requiring the Secretary of Labor and the Secretary of Education to agree on the administration of this title.

355. Under the Senate amendment, but not the House bill, the Federal Partnership will be directed by a National Workforce Development Board, composed of 13 members, appointed by the President by and with the advice and consent of the Senate, including: 7 representatives of business and industry, 2 representatives of labor and workers, 2 representatives of adult and vocational education, and 2 Governors.

The Senate recedes.

356. Under the Senate amendment, but not the House bill, the Federal Partnership will be responsible for activities including: overseeing the development and implementation of the nationwide integrated labor market information system, establishing model benchmarks, negotiating State benchmarks, receiving and reviewing reports, preparing an annual report on the performance of States toward reaching the benchmarks, advising the Secretary of Labor and the Secretary of Education regarding the review and approval of State plans and procedures for awarding incentive grants and applying sanctions, reviewing Federal programs, and recommending how they could be integrated into State systems, and reviewing any issues about which the Secretary of Labor and the Secretary of Education disagree and making recommendations to the President regarding their resolution.

The Senate recedes.

357. The Senate amendment, but not the House bill, provides for the appointment by the President of a Director, by and with the advice and consent of the Senate, to administer the general duties of the Federal Partnership.

The Senate recedes.

358. The Senate amendment, but not the House bill, provides for the transfer of personnel from the Employment and Training Administration (ETA) within the Department of Labor and the Office of Adult and Vocational Education (OAVE) within the Department of Education to the Federal Partnership.

The Senate recedes.

358a. The Senate amendment, but not the House bill, requires the Secretaries to submit a proposed workplan outlining the transfers to be made to the Federal Partnership.

The House recedes with an amendment requiring the Secretaries to prepare and submit to the President and the appropriate committees of Congress, not later than 180 days after the date of enactment, an interagency agreement which includes a description of how the Secretary of Labor and the Secretary of Education will work together to carry out their duties and responsibilities under this title.

358b. The Senate amendment, but not the House bill, provides that the National Board shall review the Secretaries' workplan. The National Board may reject the workplan and submit their own workplan to the President outlining the transfers to be made to the Federal Partnership.

The Senate recedes.

358c. Under the Senate amendment, but not the House bill, the President shall make a decision regarding the implementation of such workplan.

The House recedes with an amendment requiring the President within 200 days to approve or disapprove the interagency agreement, and make recommendations on an alternative plan, in the event such agreement is not approved.

358d. The Senate amendment, but not the House bill, provides that if the Secretaries do not submit a workplan, the President shall delegate full responsibility for the administration of this Act to either the Secretary of Labor or the Secretary of Education.

The Senate recedes.

359. The Senate amendment, but not the House bill, requires an initial one-third reduction in the number of Federal employees necessary to perform the functions associated with the Federal administration of the Act. Not later than 5 years after the date of initial transfers to the Federal Partnerships there must be a 60% reduction in the number of Federal employees, unless the Secretaries submit a report to Congress stating why such reduction has not occurred. However, there must be a minimum 40% reduction in the number of Federal employees.

The House recedes with an amendment making technical changes.

360. The Senate amendment, but not the House bill, provides that personnel from ETA and OAVE that do not perform functions related to the administration of the Act will be transferred to other entities in the appropriate department.

The Senate recedes.

361. The Senate amendment, but not the House bill, requires the Secretaries to submit an additional workplan outlining the transfers of individuals to entities other than the Federal Partnership.

The Senate recedes.

362. The Senate amendment, but not the House bill, eliminates the Office of Adult and Vocational Education (OAVE) within the Department of Education and the Employment and Training Administration (ETA) within the Department of Labor on July 1, 1998.

The Senate recedes.

Wagner-Peyser (Employment Service)

363. The Senate amendment, but not the House bill, amends section 1 of the Wagner-Peyser Act to provide that the Federal Partnership shall oversee the activities of the Employment Service.

The Senate recedes.

364. Both the House bill and the Senate amendment amend section 2 to reflect the repeal of the Job Training Partnership Act and to conform the definitions and terms to each of the appropriate bills.

The Senate recedes with technical and conforming amendments.

365. Both the House bill and the Senate amendment amend section 3, the duties of the Federal government, by requiring the Secretary of Labor (or the Federal Partnership in the Senate amendment) to assist in the coordination and development of a nationwide system of labor exchange services for the general public, to assist in the development of continuous improvement models for such nationwide system which ensures private sector satisfaction and meets the demands of jobseekers, and to ensure the continued services for individuals receiving unemployment compensation.

The House recedes with an amendment requiring the Secretary of Labor to assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided as part of the one-stop career center systems of the States; assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and ensure, for individuals otherwise eligible to receive unemployment compensation, the continuation of any activities in which the individuals are required to participate to receive the compensation.

366. The Senate amendment, but not the House bill, makes conforming amendments to the Unemployment Compensation Amendments of 1976.

The House recedes.

367. Both the House bill and Senate amendment amend section 4 to require the Governor (and in the House bill, the Governor through the collaborative process) to designate a State agency to carry out the Act.

The House recedes with an amendment inserting ''in consultation with the State legislature''.

367a. In the House bill, the designated State agency cooperates with the Secretary of Labor. In the Senate amendment, such agency cooperates with the Federal Partnership.

The Senate recedes.

368. The House bill requires that 25% of the funds available under the Wagner-Peyser Act be used to cover both the current BLS programs (funded under sec. 14) and to support State/local labor market information.

The House recedes.

369. The Senate amendment, but not the House bill, amends section 5(c) to strike an obsolete provision.

The House recedes.

370. Both the House bill and the Senate amendments amend section 7 to conform with the repeals of the Job Training Partnership Act and the Carl D. Perkins Vocational and Applied Technology Education Act.

The House recedes with an amendment striking ''Workforce Development Act of 1995'' and inserting ''Workforce and Career Development Act of 1996''.

370a. The Senate amendment, but not the House bill, requires that labor exchange services be provided through the one-stop career center system. The House bill has a similar provision in its definition of ''Public Employment Office.''

The House recedes with an amendment striking ''through'' and inserting ''as part of''.

371. Both the House bill and the Senate amendment amend section 8 to require States to submit detailed plans for carrying out this Act as a part to their workforce development plans.

The Senate recedes with an amendment requiring that any State desiring to receive assistance under the Wagner-Peyser Act shall submit to the Secretary, as part of the State plan under the Workforce and Career Development Act, plans for carrying out the provisions of the Wagner-Peyser Act.

372. Both the House bill and the Senate bills repeal section 11, the Federal Advisory Council.

The Senate recedes.

373. Both the House bill and the Senate amendment include conforming amendments.

The Senate recedes with an amendment striking reference to ''Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act'' and inserting ''the Workforce and Career Development Act of 1996''.

Labor market information

374. The Senate amendment, but not the House bill, requires States to use a portion of their workforce employment funds to pay for a statewide labor market information system. (See Note 368 for related House provision)

The Senate recedes.

375. The House bill, but not the Senate amendment, places the labor market information activities under the Wagner-Peyser Act.

The Senate recedes with an amendment authorizing an appropriation of $65 million for fiscal year 1998 and such sums through fiscal year 2002.

375a. The House bill, but not the Senate amendment provides a purpose.

The House recedes.

376. The House bill provides the Secretary of Labor with the responsibility for the LMI system. The Senate amendment provides this responsibility to the Federal Partnership. Both the House bill and the Senate amendment list comparable elements of the nationwide LMI system, with language differences.

The House recedes with an amendment requiring the Secretary of Labor, in accordance with this section, to oversee the maintenance and continuous improvement of the system of labor market information.

The Managers commend the National and State Occupational Information Coordinating Committee (NOICC/SOICC) for leadership in building the foundation for the existing labor market information system, which includes occupational information. Further, the Managers assume that the Federal and State governments will build upon the NOICC/SOICC initiatives in the development of occupational, career and consumer information delivery systems and related products, the training of professionals in the use of labor market information in career decision making, the support of career development programs, and in coordinating a multi-agency approach in building upon the existing labor market information system.

At the State level, the Managers encourage Governors and State agency heads to use the SOICC to carry out the collaborative, interagency process in building upon the existing statewide labor market information system. Further, at the Federal level, the Managers wish to make clear that the NOICC may be used during transition to support the labor market information system activities of the Department of Education and the Department of Labor and encourage the continued use of NOICC expertise under the improved system.

376a. The House bill specifies that data may include data aggregated by demographic characteristics. The Senate amendment states that data may be from ''cooperative statistical'' programs.

The Senate recedes with an amendment to include within the system of labor market information statistical programs of data collection, compilation, estimation and publication conducted in cooperation with the Bureau of Labor Statistics.

The specific cooperative statistics program currently managed by the Bureau of Labor Statistics include: Current Employment Statistics (CES), Local Area Unemployment Statistics (LAUS), Occupational Employment Statistics (OES), Mass Layoff Statistics (MLS). The Managers intend that these programs will continue to be authorized under the Wagner-Peyser Act and that this legislation will not alter the way they are funded. The Bureau of Labor Statistics will continue to justify funding levels through the appropriations process, as it has in the past, including its request for non-trust funds money.

376b. The House bill includes data on individuals with severe disabilities and clarifies that data under this part are available from the Bureau of Census and other sources. The Senate amendment specifies that such data should be current and be collected from populations at the substate, State and national level.

The House and Senate recede.

376c. The House bill, but not the Senate amendment, specifies that data shall be maintained in an aggregated fashion and specifies that such data are available from the Bureau of Census and other sources.

The House and Senate recede.

376d. The House bill, but not the Senate amendment, clarifies that information such as the unemployment insurance wage data records may be used.

The House and Senate recede.

376e. The Senate amendment, but not the House bill, specifies the form in which employment and consumer information shall be collected.

The Senate recedes with an amendment requiring that State and local employment information include other appropriate statistical data related to labor market dynamics which will assist individuals to make informed choices related to employment and training and assist employers to locate and train employees who are seeking employment and training.

The Managers intend that the State-based data collection and analysis be produced in a way as to produce a common set of labor market products and services that will be consistently available in all parts of the country and that, at the same time, will meet the unique needs of States and localities. The primary customers of the State and local products and services will be job seekers, employers and counselors. The consumer information, as described under Section 121, and other information supplied by the States and local workforce development boards will also be useful to these customers. To the extent feasible, the core products and services are expected to include: profiles of employers in the local labor market, including job openings, locations, hiring requirements, the nature of the work, employment requirements, wages, benefits, and hiring patterns—as such information is volunteered by employers; aggregate data related to the employment and training needs and skill levels of job seekers in the local labor market area.

376f. The House bill would profile ''employers'' as opposed to ''industries'' as in the Senate amendment. The House bill, but not the Senate amendment would also collect information on hiring patterns.

The House and Senate recede.

376g. The House bill, but not the Senate amendment, specifies that aggregate data shall be maintained.

The House and Senate recede.

376h. The House bill includes collection of information on the level of satisfaction of the participants and their employers and would also require the collection of descriptive information on programs (beyond performance).

The Senate amendment requires that the performance data include the percentage of program completion, while the House bill refers to summary data on program completion.

The House and Senate recede.

376hh. The House bill and the Senate amendment provide for technical standards.

The Senate recedes with an amendment to include within the system of labor market information technical standards for data and information which at a minimum, meet the criteria of chapter 35 of title 44.

The technical standards in Section 139(a) will ensure the standardization of data and will ensure that data from one State can be compared with data available in another State. Technical standards are important because of the mobility of the U.S. workforce and the number of States with multi-State labor markets. These technical standards, to the extent practicable, are also intended to cover the consumer information in this Act.

376i. The Senate amendment, but not the House bill, also includes standardized definitions of labor market terms related to State benchmarks.

The House and Senate recede.

376j. The Senate amendment, but not the House bill, clarifies that the collection and analysis should be of labor market and occupational information.

The House and Senate recede.

376k. The Senate amendment, but not the House bill, specifies occupational information.

The House and Senate recede.

376l. The House bill uses the term ''Federal,'' the Senate version uses the term ''national'' for the purposes of policymaking.

The Senate recedes with an amendment to include within the system of labor market information analysis of data information for uses such as State and local policymaking.

376m. The Senate amendment, but not the House bill, also specifies research on occupational dynamics.

The House and Senate recede.

376n. The House bill, but not the Senate amendment, includes the standardization of technical standards and the design of user interfaces and communication protocols.

The Senate recedes with an amendment to include within the labor market information system the wide dissemination of data and analysis, training for users of the data and analysis, and voluntary technical standards for dissemination mechanisms.

376o. The House bill includes programs providing assistance in using systems to improve access to individuals to labor market information. The Senate amendment includes programs in the area of continuous improvement of data and provides for the training of counselors, teachers and others in using the LMI system to improve career decisionmaking.

The Senate recedes with an amendment to include within the system of labor market information programs of research and demonstration, and technical assistance for States and localities.

377. The House bill, but not the Senate amendment, specifies that statistical information collected as part of the LMI system would be subject to a number of confidentiality requirements. (This language is similar to the current statutory language under which the census data is collected)

The Senate recedes with an amendment requiring that no officer or employee of the Federal Government or agent of the Federal Government may use the information furnished under the provisions of this section for any purpose other than the statistical purposes for which it is furnished; make any publication whereby the data contained in the information so furnished under this section can be used to identify any individual; or permit anyone other than the sworn officers, employees or agents of any Federal department or agency to examine individual reports through which the information is furnished.

378. Under the House bill, but not the Senate amendment, any information collected as part of the LMI system may not be used against an individual in a legal process.

The Senate recedes with an amendment providing that nothing in this subparagraph shall be construed as providing immunity from the legal process for information that is independently collected or produced for purposes other than for purposes of this section.

379. Both the House bill and the Senate amendment outline the cooperative administrative structure for the LMI system, but the House bill refers to local entities as part of such structure.

The Senate recedes with an amendment providing that the labor market information system be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government, States, and local entities. The amendment also specifies certain duties for the Secretary of Labor.

380. The House bill, but not the Senate amendment requires the Secretary of Labor to carry out specific duties with respect to data collection.

The House recedes.

381. The House bill requires the Secretary, in collaboration with Bureau of Labor Statistics to carry out additional duties. The Senate amendment requires plan information regarding such duties.

The House recedes.

382. The House bill, but not the Senate amendment, clarifies that the annual plan is part of the DOL budget submitted to Congress. As such, it is the written justification for the use of these funds and for the priority of these funds for the following fiscal year. Both the House bill and the Senate amendment require the plan to include various elements. To the extent that both bills include similar elements, there are differences in content.

The House recedes with an amendment requiring the Secretary of Labor, in collaboration with the States and the Bureau of Labor Statistics, and with the assistance of other appropriate Federal agencies, to prepare an annual plan that shall describe the cooperative Federal-State governance structure for the labor market information system.

383. The House bill requires that the plan be developed through a formal process involving the Secretary of Labor, Bureau of Labor Statistics and State directors of LMI, whereas the Senate amendment requires a description of formal consultations.

The Senate recedes with an amendment requiring the Secretary of Labor and the Bureau of Labor Statistics, in cooperation with the States, to develop the plan by holding formal consultations with State representatives who have expertise in labor market information; and pursuant to a process agreed upon by the Secretary of Labor and the States, representatives from each of the Federal regions of the Department of Labor; and employers or representatives of employers.

384. Both the House bill and the Senate amendment allow for representatives of the Governor to participate in deliberations relating to budget issues for the development of the annual plan.

The House and Senate recede.

385. Under both the House bill and the Senate amendment, the Governor must designate a single State agency (or entity in the Senate amendment) to be responsible for the management of the statewide LMI system. Under the House bill this agency would also have an oversight role. In the Senate amendment, the oversight function would be carried out under an interagency process.

The House recedes with an amendment requiring the Governor of a State to designate a single State agency or entity to be responsible for the management of the statewide labor market information system and authorizing establishment of a process for the oversight of such a system.

386. Both the House bill and the Senate amendment require States to carry out specific duties in exchange for receipt of funds. To the extent that both bills include similar requirements, they differ in content.

The House recedes with an amendment describing the duties of the State agency designated to be responsible for labor market information.

386a. The Senate amendment, but not the House bill, provides for a rule of construction.

The House recedes.

387. Under the Senate amendment, but not the House bill, this section takes effect July 1, 1998. (See Note 456 for comparable House provision)

The House recedes.

UI trust fund

388. The Senate amendment, but not the House bill, makes amendments to the Unemployment Trust Fund to conform with the Workforce Development Act.

The Senate recedes.

Limited Federal regulations

389. The House bill, but not the Senate amendment, restricts Department of Education and Department of Labor from issuing unnecessary regulations in regard to this Act.

The Senate recedes with conforming and technical changes.

NATIONAL PROGRAMS

Education/youth

390. The House bill authorizes $25 million or 20% of total funding for the youth development block grant funding—whichever is less—for Federal research, a national assessment of youth development programs and a national center(s) for research on youth development programs. The Senate amendment reserves 0.15% of the $5.884 billion authorization ($8,826,000) for a national center for research in education and workforce development, a national assessment of vocational education and the National Institute for Literacy.

The House and Senate recede.

391. The House bill, but not the Senate amendment, allows the Secretary to award discretionary grants for demonstration and model programs. Funds may also be used by the Department of Education for evaluation, capacity building and technical assistance.

The Senate recedes with an amendment requiring the Secretaries, as part of the interagency agreement, to develop a single plan for assessment and evaluation, research, demonstrations, dissemination of model programs, and technical assistance activities with regard to the services and activities carried out under this title. The amendment authorizes $15 million for assessment and evaluation of activities assisted under this title; $15 million for a national research center or centers; $30 million for demonstration programs, replication of model programs, dissemination of best practices information, and technical assistance for fiscal years 1998–2002.

The Managers intend that the Secretaries may use demonstration funds to allow national disability organizations to continue to carry out national employment, training and job placement activities for which they are uniquely qualified.

It is also the intent of the Managers that in awarding demonstration grants under this authority that the Secretaries give strong consideration to projects that involve a partnership between a four year higher education institution, local public educational organizations, non-profit organizations and private sector business participants that provide program support, facilities, specific skills training, retraining, education, tutoring, counseling, employment preparation through distance learning in emerging and established professions to individuals who otherwise would not have access to such services, as exemplified by programs currently proposed by Pacific Union College and Napa Valley Community Resource Center in Angwin, California.

The Managers further intend for the Secretaries to use the resources made available under the ''demonstrations, dissemination, and Technical Assistance'' section to replicate models of demonstrated effectiveness, such as the Center for Employment and Training (CET) and the youth Build Program, for the purpose of developing, improving, and identifying the most successful methods and techniques in providing the services and activities authorized under this Act.

392. The House bill, but not the Senate amendment, requires the Secretary of Education to establish a system to disseminate information received from research and development activities.

The House recedes.

393. The House bill requires Office of Educational Research and Improvement to conduct a biennial assessment. The Senate amendment requires the Secretary to conduct an assessment.

The House and Senate recede.

394. The Senate amendment, but not the House bill, creates a national advisory panel to advise the Secretary on the assessment. The advisory panel may submit an independent analysis to the appropriate congressional committees and the Federal Partnership.

The Senate recedes.

395. Both the House bill and the Senate amendment require the assessment to review certain activities.

The House and Senate recede.

395a. Both the House bill and the Senate amendment require a review of how funds received are being used by State and local areas to achieve the intended results of this Act; program improvement; the effect of performance measures, accountability and State and local assessments; and the success of students in meeting academic and occupational measures.

The House and Senate recede.

395b. Both the House bill and the Senate amendment have additional assessment requirements.

The House and Senate recede.

396. The Senate amendment, but not the House bill, requires the Secretary to consult with Congress on the design and implementation of the assessment. The Senate amendment further requires an interim report to Congress and prohibits review of the report outside the Department of Education prior to the transmittal to Congress.

The Senate recedes.

397. The Senate amendment has an effective date of July 1, 1998. (See Note 456 for comparable House provision.)

The Senate recedes.

398. Both the House bill and the Senate amendment allow institutions of higher education, public and private agencies or consortia of such agencies to compete for a national research center contract.

The House and Senate recede.

398a. The House bill allows the Secretary of Education to contract for a National center to conduct research. The Senate amendment allows the Secretary of Education and the Secretary of Labor, acting on the advice of the Federal Partnership, to award a contract for a national center.

The House recedes.

398b. The House bill, but not the Senate amendment, requires that if such centers are established, the national center currently in operation shall continue under the terms of its contract.

The House recedes.

399. Both the House bill and the Senate amendment require the center to carry out required activities.

The Senate recedes.

399a. Both the House bill and the Senate amendment require research and assistance in combining academic and vocational education, new models for remediation of academic skills, new linkages among education and job training, and new models for career guidance.

The House and Senate recede.

399b. Both the House bill and the Senate amendment have additional required activities.

The House and Senate recede.

400. Both the House bill and the Senate amendment require the center to help States and localities develop performance measures and indicators. The House bill further requires the center to provide technical assistance and outreach.

The House and Senate recede.

401. Both the House bill and the Senate amendment require the center to maintain a clearinghouse to disseminate information to Federal, State and local entities.

The House and Senate recede.

402. The Senate amendment allows the Federal Partnership to ask the center to study topics or conduct activities as they determine necessary. The House bill allows the Secretary of Education to request that the center conduct other activities.

The Senate recedes.

403. The Senate amendment, but not the House bill, requires the center to identify current research and technical assistance needs using a variety of sources including a panel of Federal, State and local practitioners.

The Senate recedes.

404. The House bill and the Senate amendment require the center to annually submit a report to the Secretaries of Education and Labor and to the House and Senate authorizing committees. The Senate amendment further requires the center to annually submit a report to the Federal Partnership.

The House and Senate recede.

405. The Senate amendment, but not the House bill, provides a 6 month transition period between the current grant aware expiration and subsequent authorization.

The House recedes with an amendment striking ''on the advice of the Federal Partnership''.

406. Both the House bill and the Senate amendment use the definition of higher education which excludes proprietary schools. (See Note 36 for House definition of ''eligible institution.'')

The House recedes.

407. The Senate amendment, but not the House bill, makes conforming amendments to current law for the transition period.

The House recedes.

408. The Senate amendment has a July 1, 1998 effective date and includes a January 1, 1998 effective date for the transition period for the national center. (See Note 456 for comparable House provision.)

The House recedes.

Employment and training activities

409. The House bill reserves 15% of the adult employment and training grant authorization ($327 million) for national discretionary grants (including incentive grants, research, development, and workforce development loans). The Senate amendment reserves 5% of the $5.88 billion authorization ($294 million) for national discretionary grants, incentive grants and for the administration of this title.

The House recedes with an amendment reserving 10 percent of the block grant for national activities. After funds have been distributed for Native Americans, migrants, and the outlying areas programs, the remainder shall be reserved for national emergency grants and incentive grants.

410. Under the House bill, the Secretary of Labor is provided full discretion to award grants for major economic dislocations. Under the Senate amendment, the Secretary of Labor and the Secretary of Education must act jointly on the advice of the Federal Partnership for the award of such grant. The Senate amendment also includes a provision for an emergency determination.

The Senate recedes with an amendment authorizing the Secretary of Labor to award national emergency grants to provide employment and training assistance to workers affected by major economic dislocations such as plant closures, mass layoffs, or closures and realignment of military installations.

For the purposes of awarding a National Emergency Grant, it is the intent of the Managers that the Secretary of Labor should develop criteria to determine if an event constitutes a ''major economic dislocation.'' In doing so, the Secretary should consider the number of workers affected in relation to the size and unique situation of the community affected, rather than by establishing any one threshold number. The Managers are deeply concerned that establishing an arbitrary threshold overlooks the varying impact of these kinds of events on communities of different sizes. For instance, a plant closing or other event affecting a small number of workers has a profoundly different impact on a large community as compared to a small community.

411. The House bill includes a number of entities as eligible to receive grants under this part. The Senate amendment includes a State or local entity as eligible to receive grants under this part. (See Note 53 for Senate description of ''local entity.'')

The House recedes with an amendment defining ''eligible entity'' to mean a State, a unit of general local government, or a public or private local entity (including for-profit or non-profit).

412. Under the House bill, eligible entities must submit an application to the Secretary of Labor. Under the Senate amendment, such entities must submit an application to the Federal Partnership.

The Senate recedes.

413. Both the House bill and the Senate amendment provide that funds may be used for disaster relief employment assistance.

The Senate recedes with an amendment authorizing the Secretary of Labor to provide assistance to the Governor of any State within the boundaries of which is an area that has suffered an emergency or a major disaster.

414. The House bill, but not the Senate amendment, clarifies that funds may be expended through public and private agencies.

The Senate recedes.

415. Under the House bill, but not the Senate amendment, only individuals dislocated or laid off due to the disaster are eligible to be offered disaster employment.

The House recedes with an amendment requiring that funds be used exclusively to provide employment on projects assisting disaster areas.

416. The House bill, but not the Senate amendment, limits the length of time such individuals may be employed under this part to six months.

The House recedes.

417. The House bill, but not the Senate amendment provides for the Secretary of Labor to use a portion of its' discretionary funding to carry our research, demonstrations, evaluations, national partnerships, capacity building and technical assistance.

The House recedes.

417a. Both the House bill and the Senate amendment provide for ongoing evaluations of employment-related activities, including the use of controlled experiments using groups chosen by random assignment. In the House bill, the Secretary of Labor performs the evaluations, and in the Senate amendment the States perform the evaluations. (See Note 163)

The House recedes.

417b. The House bill, but not the Senate amendment, also allows the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 164)

The House recedes.

417c. The House bill requires the Secretary of Labor to provide capacity building and technical assistance. The Senate amendment requires the Secretary of Labor and the Secretary of Education, acting jointly, to provide technical assistance in appropriate cases. (See Note 354.)

The House recedes.

418. The House bill, but not the Senate amendment, allows the Secretary of Labor to use a portion of its' discretionary funding to make grants to States to establish workforce skills and loan programs.

The House recedes.

Native American programs

419. The House bill reserves 4% of the Adult Employment and Training Grant authorization of $85 million, whichever is less, for Native American programs. The Senate amendment reserves 1.25% of the $5.884 billion authorization ($73.5 million) for Native American programs.

The House recedes with an amendment reserving $90 million from the annual appropriation for Native American programs.

420. The Senate amendment, but not the House bill, allows the Secretaries to reserve a portion of at-risk youth funds to carry out programs for Native American at-risk youth.

The Senate recedes.

421. The Senate amendment, but not the House bill, contains purposes.

The House recedes.

422. The Senate amendment includes several definitions relating to Indian workforce activities. (For comparable definition of Native American in the House bill see Note 57)

The House recedes.

423. Both the House bill and the Senate amendment authorize similar entities for the receipt of funds. However, in the House bill, Indian controlled organizations serving ''off-reservation'' areas are eligible, in the Senate amendment, such entities serving ''Indians'' are eligible. Also, the House bill specifies the types of areas served by Alaska Native entities.

The House recedes with an amendment making technical changes.

424. The Senate amendment, but not the House bill, requires the Secretaries to distribute funds by formula.

The Senate recedes.

425. Both the House bill and the Senate amendment list authorized activities. However, the Senate amendment further specifies such activities.

The House recedes with an amendment requiring that activities carried out are consistent with this section and are necessary to meet the needs of Indians or Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment. The amendment requires that funds be used for workforce development activities and supplemental services and vocational education, adult education, and literacy services.

426. The Senate amendment, but not the House bill, continues eligibility for individuals previously eligible under the JTPA program for Native Americans.

The House recedes.

427. The House bill, but not the Senate amendment, allows for the Secretary of Labor to transfer authority to the Secretary of Education to carry out specific vocational education programs for Native Americans.

The Senate recedes with an amendment allowing the Secretaries to agree that the Secretary of Education may carry out any portion of assistance devoted to vocational education activities including assistance to entities not eligible for funding pursuant to the Tribally Controlled Community College Assistance Act.

The Managers have consolidated employment and training services, including vocational education services, into a Native American block grant. The Department of Labor as part of the interagency agreement is encouraged to transfer the portion of the funds covering vocational education services

to the Department of Education in recognition of that Department's special expertise in this area.

In making grants for education services the Secretary, consistent with previous policy, shall give consideration to applications from Tribally Controlled Community Colleges. The Managers also recognize the important role of the two tribal postsecondary vocational education institutions—United Tribes Technical College and Crownpoint Institute of Technology—and expect the Secretary to continue support for these institutions from funds allocated under this section.

428. The Senate amendment, but not the House bill, requires eligible entities to submit a 3-year plan to the Federal Partnership.

The House recedes with an amendment striking ''Federal Partnership'' and inserting ''Secretaries''.

429. Both the House bill and the Senate amendment allow eligible entities to further consolidate funds under this Act in accordance with P.L. 102–477.

The Senate recedes.

430. The Senate amendment, but not the House bill, includes provisions regarding nonduplicative and nonexclusive services.

The House recedes.

431. The Senate amendment, but not the House bill, establishes an office within the Federal Partnership to administer this section.

The House recedes with an amendment requiring the Secretaries to designate a single organizational unit to administer Native American programs and to provide technical assistance.

432. Both the House bill and the Senate amendment require that regulations be developed in consultation with Tribal entities. Under the House bill, the Secretary of Labor is responsible for establishing regulations, whereas the Senate amendment specifies the Partnership, through the Native American office.

The Senate recedes with an amendment requiring the Secretaries to consult with the eligible entities in establishing regulations and performance standards for Native American programs.

433. The Senate amendment, but not the House bill, permits the Secretaries to act jointly in the distribution of at-risk youth funds, if any, for Native Americans.

The Senate recedes.

Migrant and seasonal farmworker program

434. The House bill reserves 4% of the Adult Training and Employment authorization or $85 million, whichever is less, for migrant and seasonal farmworkers. The Senate amendment reserves 1.25% of the $5.884 billion authorization ($73.5 million) for migrant and seasonal farmworkers.

The Senate recedes with an amendment reserving $70 million from the annual appropriation for migrant and seasonal farmworker programs.

The conference agreement includes the consolidation of current programs for migrant and seasonal farmworkers into a single program which is intended to serve as the main vehicle for Federal investments in migrant and seasonal farmworkers' training, placement, and related assistance. These investments assist farmworkers to secure stable, meaningful employment. These programs target services to one of the most hard-to-serve and at-risk populations in the United States.

The legislative language includes broad allowable services that may be provided under this section for migrant and seasonal farmworkers and their dependents including single purpose grants for the provision of training and technical assistance for housing and related assistance.

434a. The House bill authorizes the Secretary of Labor to carry out this program. The Senate amendment authorizes the Secretaries, acting jointly on advice of the Federal Partnership, to carry out this program.

The House recedes with an amendment making technical changes.

435. The House bill allows the Secretary of Labor to determine eligible entities. The Senate amendment lists specific criteria for eligible entities.

The House recedes with an amendment requiring that eligible entities shall have an understanding of the problems of migrant and seasonal farmworkers, a familiarity with the area to be served, and can demonstrate a capacity to administer effectively a diversified program of workforce development activities for migrant and seasonal farmworkers.

436. The House bill lists specific allowable activities. The Senate amendment authorizes funds for ''comprehensive workforce development activities and related services.''

The Senate recedes with an amendment requiring that funds made available under this section shall be used to carry out comprehensive workforce development activities and related services for migrant and seasonal farmworkers and their dependents.

437. The House bill, but not the Senate amendment, require that regulations be developed in consultation with farmworker groups.

The Senate recedes with an amendment requiring the Secretaries to consult with seasonal and migrant farmworker groups and States in establishing regulations and performance standards for the migrant and seasonal farmworker program.

438. The Senate amendment, but not the House bill, requires eligible entities to submit a 3-year plan to the Federal Partnership.

The House recedes with an amendment requiring that eligible entities submit to the Secretaries a plan that describes a 3-year strategy for meeting the needs of migrant and seasonal farmworkers and their dependents.

439. The Senate amendment, but not the House bill, require that grants be distributed in consultation with Governors and local partnership.

The House recedes with an amendment requiring that in making grants and entering into contracts under this section, the Secretaries shall consult with the Governors and with local workforce development boards.

Territories/Outlying areas

440. The House bill provides funding for territories in each of the three grants. For the youth grant, funds are available to territories through the State allotment, with the definition of ''State'' including such territories. For the adult employment and training grant, up to one quarter of 1% of the authorized allotment available for States, ($4.6 million), is reserved for territories. For the adult education and literacy grant, $100,000 is reserved for each of the territories. The Senate amendment authorizes .2% of the $5.884 billion authorization ($11.76 million) for outlying areas.

The House recedes with an amendment reserving $14 million from the annual appropriation for the outlying areas.

441. The Senate amendment, but not the House bill, authorizes the Secretaries, acting jointly on the advice of the Federal partnership, to award grants to outlying areas.

The House recedes with an amendment that allots funds to the outlying areas, reserves the funds allotted to the Republic of the Marshall Islands, the Federated States of Micronesia and Palau for a competitive grant award to all of the outlying areas based on recommendations by the Pacific Region Educational Lab to the Secretaries, and terminates the authority for the Republic of the Marshall Islands, the Federated States of Micronesia and Palau to receive funds under this title on September 30, 2001.

OTHER

No tracking

442. The House bill, but not the Senate amendment, includes two provisions prohibiting the tracking of individuals, including youth, into a specific career or to require the attainment of a federally funded or endorsed skill certificate.

The Senate recedes with a clarifying amendment.

Transition

443. The House bill provides that the Secretary of Labor and the Secretary of Education will ensure an orderly transition from programs repealed or amended. The Senate amendment provides that States and local entities may seek waivers from the Secretaries under any of the programs repealed or amended during the 2 year transition period.

The House recedes with technical and conforming changes and increasing the time the Secretary has to approve or disapprove a waiver from 45 to 60 days.

444. The Senate amendment, but not the House bill, provides a flexibility demonstration program for six States (which meet specific eligibility requirements) to waive any statutory or regulatory requirement under any of the programs repealed or amended during the 2-year transition period.

The Senate recedes.

445. The Senate amendment, but not the House bill, requires each State to submit an interim State plan to the Federal Partnership by June 30, 1997. The Secretaries may approve the interim plan and authorize the full integration of program funds and activities as provided in the block grant in fiscal year 1997. If the Secretaries disapprove the interim plan, they must make recommendations and provide technical assistance to States for developing the State plan to be submitted for fiscal year 1998.

The House recedes with an amendment authorizing the Secretaries to provide technical assistance to State that request such assistance in preparing the State plan or in developing the State benchmarks.

446. The Senate amendment, but not the House bill, provides that States and local entities will not be required to submit applications or plans in fiscal years 1996 or 1997 in order to receive funding under any programs which will ultimately be repealed under the Act.

The House recedes with an amendment striking ''1996 or''.

447. The Senate amendment, but not the House bill, provides that the Federal Partnership will take over administration of the School-to-Work Opportunities Act on October 1, 1996.

The Senate recedes.

448. The Senate amendment, but not the House bill, extends the authorizations for the Carl D. Perkins Vocational and Applied Technology Act and the Adult Education Act through fiscal years 1998.

The House recedes with an amendment striking paragraphs (b)(2), (b)(3), and (b)(4).

Repealers

449. Under the House bill, the Smith-Hughes Act is repealed on October 1, 1995. Under the Senate amendment, the following laws are repealed immediately upon enactment: (1) the State Legalization Impact Assistance Grant (SLIAG), (2) Title II of Public Law 95–250, (3) the Displaced Homemakers Self-Sufficiency Assistance Act, (4) the Appalachian Vocational and Other Education

Facilities & Operations program, (5) the Job Training for the Homeless Demonstration Project, (6) Section 5322 of title 49, U.S.C., and (7) Subchapter I of chapter 421 of title 49, U.S.C.

The House recedes with an amendment striking the repeal of Section 5322 of title 49, United States Code and Subchapter I of chapter 421 of title 49, United States Code.

449a. Under the House bill, the following laws are repealed on July 1, 1997: (1) the Carl D. Perkins Vocational and Applied Technology Education Act, (2) the School-to-Work Opportunities Act, (3) the Adult Education Act, (4) the Adult Education for the Homeless program, (5) the School Dropout Assistance Act, (6) the National Literacy Act (except section 101), (7) the Library Services and Construction Act, (8) the Technology for Education Act of 1994, and (9) the Job Training for the Homeless Demonstration Project.

Under the Senate amendment, the following laws are repealed on July 1, 1998: (1) the Carl D. Perkins Vocational and Applied Technology Education Act, (2) the School-to-Work Opportunities Act, (3) the Adult Education Act, (4) the Adult Education for the Homeless program, and (5) the Education for Homeless Children and Youth Education program.

The Senate recedes with an amendment striking the repeal of The National Literacy Act of 1991, and repealing Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle B and section 738.

449b. Under the House bill, all of the Job Training Partnership Act, except for the Job Corps program and the veterans' employment programs, is repealed on July 1, 1997. Under the Senate amendment, all of the Job Training Partnership Act is repealed on July 1, 1998.

The House recedes with an amendment striking paragraph (c)(2).

450. Both the House bill and the Senate amendment make amendments to other laws to conform with the repeal of programs as described in Note 449.

Legislative counsel.

450a. Both the House bill and the Senate amendment make conforming amendments to other Federal laws which reference the Adult Education Act.

Legislative counsel.

450b. The Senate amendment, but not the House bill, makes conforming amendments to other Federal laws which reference the Carl D. Perkins Vocational and Applied Technology Education Act.

Legislative counsel.

450c. The Senate amendment, not the House bill, makes conforming amendments to other Federal laws which reference the School-to-Work Opportunities Act of 1994.

Legislative counsel.

450d. The House bill includes conforming amendments to the Job Training Partnership Act to reflect the repeal of some parts of such Act. The Senate amendment, which repeals the entire Job Training Partnership Act, makes conforming amendments to other Federal laws which reference the Job Training Partnership Act.

Legislative counsel.

450e. The Senate amendment, not the House bill, makes conforming amendments to other Federal laws which reference the Stewart B. McKinney Homeless Assistance Act.

Legislative counsel.

450f. The Senate amendment, not the House bill, requires the Federal Partnership, after consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, to submit to Congress legislation containing further technical and conforming amendments.

The Senate recedes.

450g. Under the House bill, the conforming amendments are effective on July 1, 1997. Under the Senate amendment, the conforming amendments for the programs repealed immediately are effective on the date of enactment, and for the programs repealed subsequently are effective on July 1, 1998.

The House recedes.

Higher Ed Repeals

451. The House bill, but not the Senate amendment, repeals the following programs:

(1) Articulation Agreements

(2) Access & Equity to Education for all Americans through Telecommunications

(3) Academic Libraries and Information Services

(4) National Early Intervention Scholarships

(5) Presidential Access Scholarships

(6) Model Program Community Partnership & Counseling Grants

(7) Early Awareness Information Program

(8) Technical Assistance for Teachers & Counselors

(9) Special Child Care Services for Disadvantaged College Students

(10) Loan Forgiveness for Teachers, Individuals Performing Community Service and Nurses

(11) Training in Financial Aid Services

(12) State Postsecondary Review Program

(13) State & Local Programs for Teachers Excellence

(14) National Teacher Academies

(15) Paul Douglas Teacher Scholarships

(16) Teacher Corps

(17) Class Size Demonstration Grant

(18) Middle School Teaching Demonstration Programs

(19) New Teaching Careers

(20) National Mini Corps Programs

(21) Demonstration Grants for Critical Language/Area Studies

(22) Development of Foreign Language & Culture Instructions Materials

(23) Small State Teaching Initiative

(24) Faculty Development Grants

(25) Early Childhood Staff Training & Professional Enhancement

(26) Intensive Summer Language Institutes

(27) Periodicals and Other Research Materials Published Outside the United States

(28) Improvement of Academic & Library Facilities

(29) Cooperative Education

(30) Grants to Institutions and Consortia to Encourage Women & Minority Participation in Graduate Education

(31) Harris Fellowships

(32) Javits Fellowships

(33) Faculty Development Fellowship Program

(34) Assistance for Training in the Legal Profession

(35) Law School Clinical Experience

(36) FIPSE—Special Projects in Areas of National Need

(37) Science & Engineering Access

(38) Woman & Minorities Science & Engineering Outreach Demonstration Programs

(39) Eisenhower Leadership Program

(40) Community Service Programs

(1) National Academy of Science Study

(2) Native Hawaiian and Alaska Native Culture and Arts Development

(1) American Indian Postsecondary Economic Development Scholarship

(2) American Indian Teach Training

(3) National Survey of Factors Associated with Participation

(4) Study of Environmental Hazards in Institutions of Higher Education

(5) National Job Bank for Teacher Recruitment

(6) National Clearinghouse for Postsecondary Education Materials

(7) School-Based Decisionmakers

(8) Grants for Sexual Offenses Education

(9) Olympic Scholarships

(10) Advanced Placement Fee Payment Program

The Senate recedes with an amendment striking the repeal of the National Early Intervention Scholarships program; the Javits Fellowship program; the Law School Clinical Experience program; the FIPSE—Special Projects in Areas of National Needs program; and the Community Service Programs.

452. The House bill, but not the Senate amendment, deletes all references to State postsecondary review entities.

The Senate recedes.

453. The House bill, but not the Senate amendment, amends the Higher Education Act to specify that, for purposes of eligibility under Section 481(b)(6) [the 85/15 Rule], a proprietary institution may use its independent auditor rather than a certified public accountant to review the school's financial data; may use generally accepted accounting practices to determine compliance; and may count revenues earned from providing training on a contractual basis to government, business, or industry as non-Federal revenue.

The House recedes.

454. The House bill, but not the Senate amendment, prohibits the Secretary from considering an institution's financial information for an institution's fiscal year which began on or before April 30, 1994. This date coincides with the day after which the Secretary's regulations implementing the 85/15 rule became final.

The Senate recedes.

455. The House bill, but not the Senate amendment, sets an effective date for these changes of July 1, 1994. This date coincides with the start of the 1994–1995 academic year.

The Senate recedes.

Effective date

456. The House bill takes effect on July 1, 1997. The Senate amendment (including the workforce development grant and the at-risk youth grant) takes effect on July 1, 1998.

The House recedes with technical amendments.

Immigration and Nationality Act

457. The Senate amendment, but not the House bill, amends the Immigration and Nationality Act to prohibit funds authorized under that Act to be use for training activities for refugees.

The Senate recedes.

Rehabilitation Act

458. The House bill, but not the Senate amendment, provides that the Act retains current law and has no legal effect on the Rehabilitation Act of 1973.

The House recedes.

459. The Senate amendment, but not the House bill, explains that references in title II, subtitle A, of the Workforce Development Act of 1995, unless otherwise noted, are to the Rehabilitation Act of 1973.

The House recedes.

460. The Senate amendment, but not the House bill, amends section 2(a)(4) of the Rehabilitation Act by indicating that increased employment of individuals with disabilities can be achieved through implementation of a statewide workforce development system that provides meaningful and effective participation for such individuals in workforce development activities and through title I of the Rehabilitation Act. The Senate amendment also amends section 2(b)(1)(A) of the Rehabilitation Act by adding that empowering individuals with disabilities can occur through statewide workforce development systems that include comprehensive and coordinated programs of vocational rehabilitation.

The House recedes with an amendment striking ''and (2) in subsection (b)(1)(A)'', by inserting ''statewide workforce development systems that include, as integral components,'' after ''(A)''; and inserting ''(2) in subsection (b)(1)(A), by striking 'and coordinated' and inserting prior to the semicolon, 'that coordinate with statewide workforce development systems''.

461. The Senate amendment, but not the House bill, repeals section 6 of the Rehabilitation Act that allows consolidated plans from State vocational rehabilitation agencies and State developmental disabilities councils.

The Senate recedes.

462. The Senate amendment, but not the House bill, amends section 7 of the Rehabilitation Act by conforming definitions with the Work Force Development Act.

The House recedes with conforming amendments.

463. The Senate amendment, but not the House bill, amend section 12(a)(1) of the Rehabilitation Act by giving the Commissioner of the Rehabilitation Services Administration the authority to provide consultative services and technical assistance to public and nonprofit private agencies to achieve the meaningful participation of individuals with disabilities in the statewide workforce development system.

The House recedes with conforming amendments.

464. The Senate amendment, but not the House bill, amends section 13 of the Rehabilitation Act by conforming data collection with the Workforce Development Act of 1995.

The House recedes with conforming amendments.

465. The Senate amendment, but not the House bill, amends section 14(a) of the Rehabilitation Act by conforming evaluation requirements with the Workforce Development Act of 1995. The Senate amendment also states that the Secretary may modify or supplement such benchmarks, under certain conditions, to address unique conditions associated with reporting on individuals with disabilities.

The House recedes with conforming amendments.

466. The Senate amendment, but not the House bill, amends section 100(a)(1)(F) of the Rehabilitation Act by adding to the finding the term ''workforce development activities''.

The House recedes.

467. The Senate amendment, but not the House bill, adds a new (G) to section 100(a)(1) of the Rehabilitation Act, a finding which states that linkages between vocational rehabilitation program and other components of the workforce development system are critical to the effective and meaningful participation of individuals with disabilities in workforce development activities.

The House recedes with conforming amendments.

468. The Senate amendment, but not the House bill, amends section 100(a)(2) of the Rehabilitation Act, which expresses the purpose of title I, adding specifications that a program of vocational rehabilitation is an integral component of a statewide workforce development system.

The House recedes with an amendment striking ''an integral component of'' and inserting ''coordinated with the'' and conforming amendments.

469. The Senate amendment, but not the House bill, amends section 101(a) of the Rehabilitation Act, conforming the schedule for submitting the State plan under title I of the Rehabilitation Act to coincide with the schedule for submission of the workforce plan, and requires that the State plan required under title I of the Rehabilitation Act be submitted to any State workforce development board for review and comment, and submission of such comments to the appropriate designated State unit which administers the vocational rehabilitation program.

The House recedes with an amendment striking paragraph ''(3)'' and inserting ''(3) by striking paragraphs (10)(A), (15)A-B), (27), (28) and (30)''; striking paragraphs ''(6)'' and ''(7)''; and conforming amendments.

470. The Senate amendment, but not the House bill, adds a new paragraph (3) with regard to improving and expanding vocational rehabilitation services for individuals with disabilities.

The Senate recedes.

471. The Senate amendment, but not the House bill, adds in paragraph (6) (so redesignated), that the State plan shall include the results of a comprehensive, statewide needs assessment.

The House recedes with an amendment to section 101(a)(9) to include, in the assessment, the utilization of community rehabilitation programs funded under the Javits-Wagner-O'Day Act and State use contracting programs and clarifying that training may be provided to counselors and other personnel.

472. The Senate amendment, but not the House bill, amends subparagraph (A) of paragraph (8) as redesignated, by consolidating provisions pertaining to personnel development.

The House recedes.

473. The Senate amendment, but not the House bill, deletes in section 101(a) of the Rehabilitation Act, in paragraph (9) as redesignated, reference to individuals at extreme medical risk.

The Senate recedes.

474. The Senate amendment, but not the House bill, makes technical changes to section 101(a) of the Rehabilitation Act, in paragraph (10) as redesignated, substituting the term ''individualized employment plan'' for the term ''individualized written rehabilitation program.''

The House recedes with conforming amendments.

475. The Senate amendment, but not the House bill, amends paragraph (11) as redesignated, allowing for entering into cooperative agreements with entities that are and are not part of the workforce development system.

The House recedes with conforming amendments.

476. The Senate amendment, but not the House bill, adds in paragraph (14) as redesignated, the requirement for timely notice of public hearings, collecting comments, and disseminating information about how comments affect the delivery of services.

The Senate recedes.

477. The Senate amendment, but not the House bill, amends paragraph (16) as redesignated, establishing the obligation to make referrals within the workforce development system.

The House recedes.

478. The Senate amendment, but not the House bill, amends paragraph (17) as redesignated, by transferring the current law provisions of Sec. 101(a)(30) of the Rehabilitation Act which describes how the needs of individuals who are not in special education can access and receive vocational rehabilitation services.

The House recedes.

479. The Senate amendment, but not the House bill, amends section 102 of the Rehabilitation Act by substituting the term ''individualized employment plan'' for the term ''individualized written rehabilitation program'', wherever it appears.

The House recedes.

480. The Senate amendment, but not the House bill, amends section 103 of the Rehabilitation Act by removing the authority to use title I funds of the Rehabilitation Act for surgery or construction.

The Senate recedes.

481. The Senate amendment, but not the House bill, amends section 105 of the Rehabilitation Act by encouraging links between members of the Council and any boards established under the Workforce Development Act of 1995.

The House recedes with conforming amendments.

482. The Senate amendment, but not the House bill, amends section 106(a)(1) of the Rehabilitation Act to require that standards and indicators, to the maximum extent appropriate, will be consistent with benchmarks established under the Workforce Development Act of 1995. The Senate amendment also provides that the Secretary may modify or supplement such benchmarks, under certain conditions, to address unique conditions associated with reporting on individuals with disabilities.

The House recedes with an amendment that specifies the application of this requirement to future standards and indicators under the authority of the Commissioner of the Rehabilitation Services Administration to modify or supplement such benchmarks.

483. The Senate amendment, but not the House bill, amends Title I by repealing part C, Innovation and Expansion Grants, and redesignating parts D, American Indian Vocational Rehabilitation Services, and E, Vocational Rehabilitation Services Client Information, as parts C and D.

The Senate recedes.

484. The Senate amendment, but not the House bill, makes conforming amendments to the Rehabilitation Act of 1973.

The Senate recedes.

485. The Senate amendment, but not the House bill, provides that amendments to the Rehabilitation Act take effect upon enactment, except that statewide system requirements, specifically provisions that relate to State benchmarks or other components of a statewide system, shall take effect in a State that submits and obtains approval of an interim plan under section 173 for program year 1997 on July 1, 1997; and in any other State, on July 1, 1998.

The House recedes with an amendment to conform the dates with the rest of the Act.

Higher education privatization

486. The House bill, but not the Senate amendment, requires Sallie Mae's current Board of Directors to develop a reorganization plan for the restructuring of the Association's ownership. Current shares in Sallie Mae would be converted into shares in a newly formed Holding Company chartered in a State or the District of Columbia.

The Senate recedes with an amendment providing that the Student Loan Marketing Association (SLMA) shall either vote to reorganize as a private company or shall be dissolved. In either instance, SLMA as a government sponsored enterprise with implicit Federal financial backing, shall cease to exist. The amendment specifies that within 18 months of the date of enactment, SLMA's board of directors shall develop a plan for reorganization and present such plan to its shareholders for approval. In the event that the shareholders agree to the plan, a newly formed corporation shall coexist with the current GSE until 2008. This lengthy transition is necessary for budget purposes, during which time only the GSE may engage in Federal student loan activity authorized under the Higher Education Act of 1965. In the event that the shareholders do not agree to reorganize, SLMA shall submit to the Secretary of the Treasury a plan outlining how it will cease all business activities by the year 2013.

487. The House bill, but not the Senate amendment, requires that the reorganization plan be approved by the holders of a majority of Sallie Mae's outstanding stock. As defined, the ''reorganization effective date'' means the date determined by the Association Board of Directors pending stockholder approval, but no later than 18 months after the enactment of this section.

The House recedes.

488. The House bill, but not the Senate amendment, clarifies that, except as specifically modified by the provisions of section 440, the provisions of section 439 of the Higher Education Act continue to apply in full force and effect to the Association during its wind-down period following the reorganization of its ownership. The Holding Company and its other subsidiaries shall not be entitled or subject to any of the rights, privileges, obligations or limitations applicable to the Association under section 439, except as specifically provided in section 440. This section clarifies that the Holding Company and its non-GSE subsidiaries shall not purchase federally-insured student loans until the Association ceases to purchase such loans, except for the Association's purchase of such loans as a lender-of-last-resort or under agreement with the Secretary of Education pursuant to section 440(c)(6).

The House recedes.

489. The House bill, but not the Senate amendment, specifies that, as soon as practicable after the reorganization, the Association would be required to use its best efforts to transfer to the Holding Company or its non-GSE subsidiaries all real and personal property, including intangibles held by the Association, except for property defined as ''remaining property.'' Remaining property would include the financial, program-related assets and obligations of the Association, such as debt obligations, student loans, portfolio investments, letters of credit, outstanding swap agreements and forward purchase commitments. Such property could be transferred out of the GSE subsequently, so long as the GSE continued to maintain adequate capital to meet the requirements of section 439(r), as amended.

The House recedes.

490. The House bill, but not the Senate amendment, specifies that at the time of the reorganization, the employees of the Association will become employees of the Holding Company or the other subsidiaries. This provision requires the Holding Company and the subsidiaries to provide management and operational support for the Association during the wind-down as requested by the Association. The Association is also specifically empowered to obtain management and operational support from persons other than the Holding Company and the subsidiaries.

The House recedes.

491. The House bill, but not the Senate amendment, clarifies that the Association may pay dividends in the form of cash or noncash distributions to the Holding Company, just as it may pay dividends to shareholders under current law. The payment of dividends would continue to be subject to the requirements of section 439(r).

The House recedes.

492. The House bill, but not the Senate amendment, provides that for purposes of calculating compliance with the Association's capital requirements, any distribution of noncash assets by the Association to the Holding Company is to be valued at net book value as of the date the distribution was approved by the Association's Board of Directors.

The House recedes.

493. The House bill, but not the Senate amendment, limits the Association's ability to engage in new business activities or acquire new assets following the reorganization. Activities may be undertaken in connection with student loan purchases through September 30, 2005; in connection with contractual commitments for future warehousing advances, where such commitments are outstanding as of the date of the reorganization; or pursuant to a letter of credit or standby bond purchase agreement that is outstanding as of such date. Activities may also be undertaken in connection with the GSE's role as lender of last resort pursuant to section 439. Finally, activities may be undertaken pursuant to agreements entered into with the Secretary of Education if the Secretary requests the Association to continue or resume its secondary market purchase program. The Secretary may make such a request only after determining that there is inadequate liquidity for loans made under Part B of Title IV of the Higher Education Act. Any such agreement shall cover a period of 12 months, but may be renewed if the Secretary determines that liquidity remains inadequate. The provision provides that the offset fee provided under section 439(h)(7) shall not apply to loans acquired pursuant to any such agreement.

The House recedes.

494. The House bill, but not the Senate amendment, prohibits the Association from issuing new debt obligations that mature later than September 30, 2009, except in connection with fulfilling the Association's lender of last resort role or with purchasing loans under an agreement with the Secretary of Education described in the previous paragraph.

The House recedes.

495. The House bill, but not the Senate amendment, establishes new requirements to the safety and soundness requirements currently applicable to the Association under the Higher Education Act. The GSE is required to obtain such information and keep such records as the Secretary of the Treasury may prescribe concerning any material financial risk to the Association which could reasonably result form the activities of the Holding Company or its non-GSE subsidiaries. The GSE must also keep records relating to the policies, procedures and systems used by the GSE to monitor and control such risk. The summary reports may be required by the Secretary of the Treasury, but no more frequently than quarterly.

The House recedes.

496. The House bill, but not the Senate amendment, imposes requirements to ensure that a substantial degree of separation is maintained between the Association and its affiliates, including (i) the assets of the Association shall be maintained separately from those of the Holding Company and its other subsidiaries and may be used only in connection with the Association's purposes and obligations; (ii) the Association's books and records shall clearly reflect the assets and liabilities of the Association, separate from the assets and liabilities of the Holding Company and its other subsidiaries; (iii) the Association's corporate office shall be physically separate from all offices of the Holding Company and its other subsidiaries; (iv) no director of the Association who is appointed by the President may serve as a director of the Holding Company; (v) at least one of the Association's officers shall be an officer solely of the Association; (vi) transactions between the Association and the Holding Company and its subsidiaries shall be on terms no less favorable than the Association would receive from a third party; (vii) the Association shall not extend credit to the Holding Company or its subsidiaries or guarantee or provide credit enhancement for any debt of the Holding Company or the subsidiaries; (viii) any amounts collected on behalf of the Association by the Holding Company or its other subsidiaries with respect to the assets of the Association are required to be immediately deposited to an account controlled solely by the Association. No restrictions shall apply to directors of the Association not appointed by the President.

The House recedes.

497. The House bill, but not the Senate amendment, provides that under no circumstances shall the assets of the Association be available to pay claims or debts incurred by the Holding Company.

The above requirement shall not limit the right of the Association to pay dividends that are otherwise permissible and shall not limit any liability of the Holding Company that is explicitly provided for in Part B.

The House recedes.

498. The House bill, but not the Senate amendment, limits the Holding Company's activities to the ownership of the Association and its other subsidiaries during the wind-down period, and all business activities shall be conducted at the subsidiary level.

The House recedes.

499. The House bill, but not the Senate amendment, gives the Holding Company, as sole shareholder of Sallie Mae, the authority to choose the shareholder-elected members of the Association's Board of Directors. The directors will not be required to meet current eligibility standards.

The House recedes.

500. The House bill, but not the Senate amendment, requires the Holding Company to issue to the Secretary of the Treasury 200,000 stock warrants, each warrant entitling the holder to purchase a share of stock of the Holding Company at any time on or before September 30, 2009.

The House recedes.

501. The House bill, but not the Senate amendment, provides that after the reorganization, the Holding Company shall not sell, pledge, or otherwise transfer any outstanding shares of the Association, or cause the Association to liquidate or file bankruptcy, without the approval of the Secretary of the Treasury and the Secretary of Education.

The House recedes.

502. The House bill, but not the Senate amendment, limits the period for winding down the GSE activities of the Association to September 30, 2009. The Association may determine to cease its activities and dissolve prior to September 30, 2009, unless the Secretary of Education determines that the Association continues to be needed as a leader of last resort or continues to be needed to purchase loans in furtherance of an agreement under section 440(a)(6).

The House recedes.

503. The House bill, but not the Senate amendment, requires at the end of the period all of the Association's outstanding debt obligations to be transferred to a trust that will satisfy all payment obligations on the remaining debt issues which will retain the attributes accorded them by the Association's statutory charter. The Association must deposit certain qualifying assets into the trust. The assets are to be transferred irrevocably, solely for the benefit of the holders of the Association's debt obligations, and in such amount as is determined by the Secretary of the Treasury to be sufficient to pay the principal and interest on the outstanding debt obligations according to their terms. To the extent that the Association cannot provide qualifying assets in the amount required, the Holding Company shall be required to transfer such assets in an amount necessary to prevent any deficiency.

The House recedes.

504. The House bill, but not the Senate amendment, requires the trust to transfer

any remaining assets to either the Holding Company or its subsidiaries as directed by the Holding Company.

The House recedes.

505. The House bill, but not the Senate amendment, requires that after funding the trust and prior to dissolution, the Association must take whatever actions are necessary to discharge all other obligations of the Association, including the repurchase or redemption of the Association's preferred stock. Any such obligations that cannot be fully satisfied, shall become liabilities of the Holding Company as of the date of dissolution.

The House recedes.

506. The House bill, but not the Senate amendment, requires that to the extent that any assets remain in the Association following the foregoing procedures, such assets shall be transferred to the Holding Company.

The House recedes.

507. The House bill, but not the Senate amendment, specifies that the number and composition of the Board of Directors of the Holding Company shall be as set forth in the Holding Company's charter or bylaws and as permissible under the laws of the jurisdiction of its incorporation.

The House recedes.

508. The House bill, but not the Senate amendment, specifically prohibits the use of the name ''Student Loan Marketing Association'' and allows the use of ''Sallie Mae'' to the extent permitted by the applicable State or DC law.

The House recedes.

509. The House bill, but not the Senate amendment, specifically permits the Association to assign to the Holding Company or any of its other subsidiaries the name ''Sallie Mae,'' to be used as a trademark or service mark. The bill includes a fee of $5 million in 1996 for the right to assign the name.

The House recedes.

510. The House bill, but not the Senate amendment, requires certain disclosures to be made during the period commencing after the reorganization and ending three years after the dissolution of the Association.

The House recedes.

511. The House bill, but not the Senate amendment, makes clear that, except as explicitly provided, the section is not intended to limit the authority of the Association to act as a federally chartered GSE or the authority of the Holding Company to take any actions that are lawful for a State-chartered corporation.

The House recedes.

512. The House bill, but not the Senate amendment, grants authority to the Attorney General, upon request of the Secretary of Education or the Secretary of the Treasury, to enforce the provisions of new Section 440, by action brought tin the United States District Court for the District of Columbia.

The House recedes.

513. The House bill, but not the Senate amendment, sets a deadline of 18 months after the effective date of the section for the occurrence of the reorganization pursuant to which Sallie Mae's outstanding common stock will be converted to common stock of the Holding Company. If the reorganization has not taken place by 18 months after the effective date of section 440, this subsection provides that the section shall be of no further force and effect.

The House recedes.

514. The House bill, but not the Senate amendment, sets forth the defined terms used throughout section 440.

The House recedes.

515. The House bill, but not the Senate amendment, sets forth technical amendments to the Higher Education Act.

The House recedes.

516. The House bill, but not the Senate amendment, permits the Holding Company and any of its subsidiaries to be eligible lenders under the Higher Education Act for secondary market purposes.

The House recedes.

517. The House bill, but not the Senate amendment, supplements existing safety and soundness requirements applicable to the Association by amending Section 439(r) of the Higher Education Act to authorize the Attorney General, upon request of the Secretary of Education or the Secretary of the Treasury to enforce such requirements in an action before the United States District Court for the District of Columbia.

The House recedes.

518. The House bill, but not the Senate amendment, amends the safety and soundness requirements set forth in Section 439(r). The subsection supplements the reports provided by the Association in support of its safety and soundness requirements by requiring the Association to provide to the Secretary of the Treasury, within 45 days of the end of each calendar quarter, financial statements and quarterly reports setting forth the calculation of the Association's capital ratio. The subsection also amends the safety and soundness provisions relating to the Association's capital ratio by providing new capital requirements applicable to the Association after January 1, 2000, if the Association's shareholders have approved the reorganization. At such time, the Association will be required to maintain a capital ratio of 2.25 percent for any quarter. If the Association fails to maintain such ratio, the Secretary of the Treasury may take certain specified actions to limit increases in the Association's liabilities, restrict growth in the Association's assets (other than student loan purchases and warehousing advances), restrict capital distributions by the Association, require that the Association issue new capital sufficient to restore the capital ratio to the required 2.25 percent, and limit certain increases in the executive compensation paid by the Association. However, if the Association's capital ratio for any quarter falls below 2.25 percent, but is equal to or in excess of 2 percent, the Secretary must defer taking such actions until the next quarter and then may proceed with such actions only if the capital ratio remains below 2.25 percent. Further, the Association is deemed to be in compliance with its capital ratio requirements if it is rated by two nationally recognized statistical rating organizations, without regard to its status as a federally chartered corporation, in one of the two highest full rating categories.

The House recedes.

519. The House bill, but not the Senate amendment, provides that upon the dissolution of the Association and the creation of the trust pursuant to new section 440(d), both the Association's Federal charter and section 439, shall be repealed.

The House recedes.

520. The House bill, but not the Senate amendment, privatizes the College Construction Loan Insurance Association (''Connie Lee,'' or ''the Corporation'').

The Senate recedes with an amendment repealing the authorizing legislation which created Connie Lee. The Secretary of the Treasury is required to sell the Connie Lee stock owned by the Secretary of Education within 6 months of the date of enactment of this legislation ensuring the total privatization of Connie Lee. Connie Lee will no longer have a Federal charter or any ties to the Federal Government.

521. The House bill, but not the Senate amendment, repeals Federal restrictions on Connie Lee's activities.

The House recedes.

522. The House bill, but not the Senate amendment, restricts stock ownership in the Corporation for government agencies, government corporations, and government sponsored enterprises, including Sallie Mae. Specifically, Sallie Mae may continue to own stock held as of the day of enactment, but may not acquire new stock in the Corporation until such time as Sallie Mae is privatized.

The House recedes.

523. The House bill, but not the Senate amendment, prohibits Sallie Mae from controlling the operations of the Corporation, but allows it to retain its current representation on the board of the Corporation. The House bill further prevents Sallie Mae from providing financial support or guarantees to the Corporation.

The House recedes.

524. The House bill, but not the Senate amendment, requires that, for a five year period following enactment, the Corporation shall disclose that it is not a government sponsored corporation or instrumentality.

The House recedes.

525. The House bill, but not the Senate amendment, prohibits the Corporation from using the name College Construction Loan Insurance Association.

The House recedes.

526. The House bill, but not the Senate amendment, requires certain amendments to the Corporation's Articles of Incorporation.

The House recedes.

527. The House bill, but not the Senate amendment, places certain reporting requirements on the Corporation for a period of two years.

The House recedes.

528. The House bill, but not the Senate amendment, requires the Secretary of the Treasury to sell the federally held stock in the Corporation within six months of the date of enactment.

The House recedes.

529. The House bill, but not the Senate amendment, requires that, in the event that the Secretary of the Treasury cannot sell the federally held stock to another entity, the Corporation must repurchase the stock at a price not to exceed the value estimated by the Congressional Budget Office.

The House recedes.

Museums and library services

530. The House bill consolidates the Federal library programs under the Library Services and Construction Act, the Elementary and Secondary Education Act, and Title II of the Higher Education Act into one Federal libraries program focused on helping libraries acquire and use new technologies and forging electronic ties among libraries and between libraries and one-stop career centers.

The Senate amendment creates a new Institute of Museums and Library Services, and consolidates into it the functions of the Institute of Museum Services (IMS), along with Federal library programs under the Library Services and Construction Act and Title II of the Higher Education Act. Focuses of the Senate amendment include technology, life-long learning, and information access for those needing special services.

Legislative counsel.

531. The House bill authorizes $110 million for each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002 for library technology programs under this act. The House bill further authorizes the forward funding of these programs.

The House and Senate recede with an amendment authorizing $150 million for fiscal year 1997 and such sums for fiscal year 1998 through fiscal year 2002. The amendment

provides for forward funding and an additional authorization of appropriations to effect a timely transition to the new authorization. Additional amounts as may be necessary are authorized to be appropriated for the fiscal year prior to the first year in which appropriations are made under the forward funding procedure.

531a. The Senate amendment authorizes $75 million for Fiscal Year 1996 and such sums as necessary for fiscal years 1997–2000 for library technology programs.

The Senate recedes.

531b. The Senate amendment, but not the House bill, authorizes $75 million for Fiscal Year 1996 and such sums as necessary for fiscal years 1997–2000 to provide library services to special populations.

The Senate recedes.

531bb. The Senate amendment, but not the House bill, allows for the transfer of funds between the Secretary of Education and the Director of Museum Services.

The House recedes.

531c. The Senate amendment, but not the House bill, provides that no less than 5% nor more than 7% of library funds be used for joint projects with museums.

The Senate recedes.

531d. The Senate amendment, but not the House bill, allows not more than 10% of funds appropriated for library services under this Act to be spent for Federal administration.

The House recedes with an amendment limiting administrative funds to 3 percent.

531e. The Senate amendment, but not the House bill, authorizes $28,700,000 for FY1996, and such sums as necessary for Fiscal Years 1997–2000 for museum services under this Act.

The House recedes with an amendment authorizing $28,700,000 for fiscal year 1997, and such sums as may be necessary for fiscal year 1998 through fiscal year 2002.

531f. The Senate amendment, but not the House bill, allows not more than 10% of funds appropriated for museum services to be used for administrative expenses.

The House recedes.

531g. The Senate amendment, but not the House bill, provides that not less than 5% nor more than 7% of appropriated museum funding be used for joint projects with libraries.

The Senate recedes.

531h. The Senate amendment, but not the House bill, mandates that funds made available for museum services under this Act shall remain available until expended.

The House recedes.

531i. The Senate amendment, but not the House bill, authorizes such sums as necessary for the Arts and Artifacts Indemnity Act.

The Senate recedes.

532. The Senate amendment, but not the House bill, amends the Museum Services Act.

The House recedes.

533. The Senate amendment, but not the House bill, includes certain definitions.

The House recedes.

534. The Senate amendment, but not the House bill, establishes an Institute of Museum and Library Services.

The House recedes.

535. The Senate amendment, but not the House bill, provides for the appointment of a Director of the Institute of Museum and Library Services by the President with the advice and consent of the Senate. The Senate amendment further provides that the Director will serve for a term of 4 years, and that the appointment will alternate between individuals with expertise in library and museum services.

The House recedes.

536. The Senate amendment, but not the House bill, provides for the appointment by the Director of Deputy Directors for the offices of Library Services and Museum Services.

The House recedes with an amendment striking paragraph (b).

537. The Senate amendment, but not the House bill, provides for the staffing of the Institute by the Director.

The House recedes.

538. The Senate amendment, but not the House bill, provides the Director with the authority to accept or solicit gifts and bequests on behalf of the Institute.

The House recedes.

539. The Senate amendment, but not the House bill, sets forth purposes for funding of museum services under this subtitle.

The House recedes.

540. The Senate amendment, but not the House bill, sets forth definitions for this subtitle.

The House recedes with an amendment providing a definition of ''State'' for this subtitle to mean, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Northern Mariana Islands, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

541. The Senate amendment, but not the House bill, empowers the Director of the Institute to award grants for Museum improvements, and outlines purposes for which the grants may be used.

The House recedes with an amendment adding model programs demonstrating cooperative efforts between libraries and museums to the list of museum services activities.

541a. The Senate amendment, but not the House bill, allows the Director to enter into contract or cooperative agreements for the improvement of museums.

The House recedes.

541b. The Senate amendment, but not the House bill, limits the Federal share of activities funded under this section.

The House recedes.

541c. The Senate amendment, but not the House bill, requires the Director to develop procedures for reviewing assistance made under this Section.

The House recedes.

542. The Senate amendment, but not the House bill, provides for an assessment of collaborative efforts that museums can engage in to serve the public more effectively, applicable only in years when appropriations for museum services exceed $28.7 million.

The Senate recedes.

543. The Senate amendment, but not the House bill, allows the Director to annually award a national award for museum services to outstanding museums for significant contributions in service to the community.

The House recedes.

544. The Senate amendment, but not the House bill, establishes a National Museum Service Board appointed by the President with advice and consent of the Senate.

The House recedes.

544a. The Senate amendment, but not the House bill, sets forth qualifications for appointment to the Board.

The House recedes.

544b. The Senate amendment, but not the House bill, provides for 5 year staggered terms for members of the board.

The House recedes.

544c. The Senate amendment, but not the House bill, sets forth the powers and duties of the board. The Senate amendment further outlines the structure and general operating rules of the Board.

The House recedes.

545. The Senate amendment, but not the House bill, amends the National Commission on Libraries and Information Science Act to provide the commission with the responsibility of advising the Director of the Institute of Museum and Library Services on matters relating to library services. The Senate amendment further outlines procedures for advising the Director and modifies membership and membership criteria for the commission.

The House recedes.

546. The Senate amendment, but not the House bill, provides for the orderly transition of functions from the Institute of Museum Services (IMS) to the Institute of Museum and Library Services.

The House recedes with an amendment transferring all functions formerly exercised by the Director of Library Programs in the Department of Education's Office of Education Research and Improvements to the Institute.

547. The Senate amendment, but not the House bill, provides an authorization for the Arts and Artifacts Indemnity Act.

The Senate recedes.

547a. The Senate amendment, but not the House bill, transfers authority for indemnity agreements to the Director of the IMLS from the Federal Council on the Arts and the Humanities.

The Senate recedes.

547b. The Senate amendment, but not the House bill, retains the definition of eligible items from current law.

The Senate recedes.

547c. The Senate amendment, but not the House bill, expands coverage under the Act to domestic exhibits on display within the U.S.

The Senate recedes.

547d. The Senate amendment, but not the House bill, retains the applications procedure from current law.

The Senate recedes.

547e. The Senate amendment, but not the House bill, retains the terms under which indemnity agreements are made from current law.

The Senate recedes.

547f. The Senate amendment, but not the House bill, makes conforming amendments to current law with respect to the authority of the Director to issue regulations and certify claims.

The Senate recedes.

547g. The Senate amendment, but not the House bill, retains reporting requirements from current law.

The Senate recedes.

548. The Senate amendment, but not the House bill, provides for a short title.

The House recedes.

549. Both the House bill and the Senate amendment provide for purposes.

The House and Senate recede with an amendment stating the purpose of this subtitle.

549a. The purposes of the House bill are limited to the consolidation of library programs, providing access through new technology and providing electronic linkages among libraries and between libraries and integrated career center systems. The House bill contains no recognition of need.

The House recedes.

549b. The purposes of the Senate amendment include an emphasis on life-long access to learning and library information resources as well as preparing libraries for service in the 21st Century in the areas of access to electronic networks, workforce and economic development, and adequate provision of resources and services to special populations.

The Senate recedes.

550. Both the House bill and the Senate amendment provide definitions relative to library services. However, definitions in the House bill are in title I of the House bill.

The House recedes.

550a. The Senate amendment includes definitions of ''library consortia,'' ''library entity,'' and ''public library.'' The House bill includes a definition of ''library'' in the general definitions section. (See Note 50.)

The House and Senate recede with an amendment retaining the definitions of ''library consortia'' and ''State''; striking the definition of ''library entity'' and ''State advisory council,'' and modifying the definition of ''library''.

550b. Both the House bill and the Senate amendment include a definition of ''State library administrative agency''. The Senate amendment also includes a definition of ''State Plan''. (See Note 80.)

The Senate recedes on the definition of ''STATE LIBRARY ADMINISTRATIVE AGENCY'' and the House recedes on the definition of ''STATE PLAN''.

551. The Senate amendment, but not the House bill, reserves 1½% of funds appropriated for serving Indian Tribes. In the House bill, Indian Tribes may use funds allotted under section 325 for library services.

The House recedes.

551a. The Senate amendment, but not the House bill, reserves 8% of allotted funds for a national leadership program in library services.

The House recedes with an amendment reserving 4 percent of allotted funds for ''National Leadership Grants'', and specifying that if these funds have not been obligated by the end of the fiscal year in which they are reserved, that they shall be reobligated in the next fiscal year to the States as part of the States' formula grant. The House amendment further stipulates that States may carryover unobligated funds for use in the next fiscal year.

552. Both the House bill and the Senate amendment provide for minimum State allotments. However, the House bill does not provide funding for the Freely Associated States.

The House recedes with an amendment providing that funds allotted to the ''Freely Associated States'' be reserved for competitive grants to all outlying areas based on the recommendations by the Pacific Region Educational Lab to the Director, limits the Pacific Regional Education Laboratory to using no more than 5 percent of these funds for administrative purposes, and specifies that eligibility for assistance under this Act for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall terminate as of September, 30, 2001.

552aa. The House bill and the Senate amendment both provide allotments.

The House recedes with an amendment authorizing the State minimum allotment at $340,000.

552a. Both the House bill and the Senate amendment provide for the ratable reduction of funds should appropriations be insufficient.

Legislative counsel.

552b. Both the House bill and the Senate amendment allot remaining funds based on State populations.

Legislative counsel.

553. The House bill, but not the Senate amendment, requires the Secretary to make grants to States that will meet minimum requirements such as submitting an approved application, providing 100% of the amount of the grant to the State library administrative agency, and requiring that agency to use the allocated funds to carry out activities described in the application. The House bill further provides that such grant will be the lesser of the sum of the initial allotment and the additional allotment or 75% of the total cost of the activities described in the application.

The House recedes.

554. Both the House bill and the Senate amendment limit administrative funding at the State level. The Senate amendment limits this amount to not more than 5%. The House bill limits State administrative funding to 3% elsewhere in this Subtitle.

The Senate recedes with an amendment allowing States to use no more than 4 percent of funds allotted for administrative purposes.

555. The Senate amendment establishes the Federal share for programs under this subtitle and sets forth maintenance of effort provisions. The House bill establishes the Federal share for programs under this subtitle, but does not require maintenance of effort.

The House recedes.

555a. The Senate amendment sets the Federal share for State projects at 50% with higher Federal shares for the Trust Territories, and defines non-Federal share. The House bill sets the Federal share for State projects at 75%, and makes no distinction for the Trust Territories.

The House recedes with an amendment setting the Federal share for the States and Trust Territories at 66 percent.

555b. The Senate amendment, but not the House bill, reduces a State's allocation if the State fails to maintain its funding level for library services. The reduction in Federal allocation is in proportion to the reduction in State effort.

The House recedes with an amendment clarifying that States may reduce their maintenance-of-effort in proportion to any Federal reduction without being penalized.

555c. The Senate amendment, but not the House bill, provides a waiver for reductions in a State's allocation under this subsection if the reduction in State efforts is due to certain uncontrollable circumstances.

The House recedes.

556. The House bill requires that each State seeking a grant under this subtitle submit an annual application establishing goals and priorities consistent with the purposes of this subtitle describing activities and procedures to reach these goals, describing methodologies for evaluation, describing procedures to involve libraries and their areas in policy decisions to implement this subtitle, and assuring that reporting practices required by the Secretary will be implemented. The Senate amendment requires States to provide similar information as part of the State plan, which covers a period of 5 years.

The Senate recedes with an amendment providing that States submit a plan covering a 5 year period.

556a. The House bill requires the Secretary to approve each application which meets the requirements outlined in Note 556. The House bill further provides States with an opportunity to revise their applications, should they fail to be approved. The Senate amendment requires the Director to approve a State plan if it meets the purposes of this subtitle. The Senate amendment further provides that if a State plan is not approved, the State will have an opportunity to revise its plan, that the Director will provide the State with technical assistance and that the State library administrative agency will have the opportunity for a hearing.

The House recedes.

557. The House bill, but not the Senate amendment, requires that State library administrative agencies use at least 97% of funds provided under this subtitle for electronically connecting libraries to integrated career center systems, establishing or enhancing linkages among libraries, assisting libraries to access information through electronic networks, encouraging the formation of library consortia, helping libraries acquire and share new technologies, and improving library services for individuals with special needs. The Senate amendment does require that State library administrative agencies follow their State plan.

The Senate recedes with an amendment requiring State agencies to expend at least 96 percent of funds received under this subtitle to establish or enhance linkages among or between libraries, library consortia, one-stop career centers, and local service providers, or any combination thereof, and to target library and information services to persons having difficulty using a library and underserved urban and rural communities, including children from families living below the official income poverty line. Each State agency may apportion funds between these purposes, as appropriate, to meet the needs of the individual State.

The Managers note that these purposes are not mutually exclusive, and that enhancing electronic resources may also meet the needs of disadvantaged persons.

557a. The House bill limits the amount of each States allotment used for administrative expenses by the State library administrative agency to no more than 3%. The Senate amendment limits this amount to 5%. (See Note 554.)

The House recedes.

558. The Senate amendment, but not the House bill, creates a separate program to provide library services for special populations. However, the House bill does make the improvement of library services for special populations an allowable use of funds at the discretion of the State library administrative agency.

The Senate recedes.

559. The Senate amendment, but not the House bill, requires State library administrative agencies to reserve up to 15% of their Federal funds to serve children in poverty. In determining this amount, the State agency shall set aside up to $1.50 per preschool child from families below the poverty level, and up to $1.00 per school aged child from families living below the poverty levels.

The Senate recedes.

559a. Of the amount reserved for children in poverty, the Senate amendment, but not the House bill, requires that each library in the State receive a share equal to its share of such children.

The Senate recedes.

559b. The Senate amendment, but not the House bill, allows for the aggregation of funds set aside to serve children in poverty, should an individual library's grant be too small to be effective. The Senate amendment further prescribes conditions under which such funds can be aggregated.

The Senate recedes.

559c. The Senate amendment, but not the House bill, requires that public libraries seeking grants to serve children in poverty submit a plan for how those children will be served.

The Senate recedes.

560. The Senate amendment, but not the House bill, sets forth specific criteria under which States must evaluate activities undertaken in accordance with the library technology and library services provisions of the Senate amendment.

The Senate recedes with an amendment moving evaluations to State plan. (See Note 556)

561. The Senate amendment, but not the House bill, requires that States receiving assistance under this subtitle establish a State advisory council. The Senate amendment further sets forth guidelines for the composition and duties of these councils.

The House recedes with an amendment providing that a State may establish a State advisory council which is broadly representative of the library entities within the State.

562. The Senate amendment, but not the House bill, provides for grants for library services for Indian Tribes. The Senate amendment further specifies the purposes for which these grants can be used, requirements as to who may administer these funds, and maintenance of effort requirements.

The Senate recedes with an amendment to conform Indian provisions with the rest of the Act.

562a. The Senate amendment, but not the House bill, prescribes the procedure for applying for grants under this section.

The Senate recedes.

563. The Senate amendment, but not the House bill, establishes a national leadership program for library services, and sets forth activities for which such funds may be used.

The House recedes with an amendment providing for ''National Leadership Grants'' to enhance the quality of library services nationwide and to provide coordination with museums.

563a. The Senate amendment, but not the House bill, sets forth criteria under which the director may award leadership grants, including that awards be made on a competitive basis.

The Senate recedes.

564. The Senate amendment, but not the House bill, specifies that nothing in this subtitle shall be construed to interfere with State or local initiatives.

The House recedes.

565. The House bill repeals the Library Services and Construction Act, Title II of the Higher Education Act, and Part F of the Technology for Education Act.

The Senate recedes.

565a. The Senate amendment repeals the Library Services and Construction Act and Title II of the Higher Education Act, but not Part F of the Technology for Education Act.

The Senate recedes.

565b. Both the House bill and the Senate amendment make technical and conforming amendments to reflect these repeals.

Legislative counsel.

BILL GOODLING,
STEVE GUNDERSON,
RANDY ''DUKE'' CUNNINGHAM,
HOWARD P. ''BUCK'' MCKEON,
FRANK D. RIGGS,
LINDSAY GRAHAM,
MARK SOUDER,
Managers on the Part of the House.

NANCY LANDON KASSEBAUM,
JIM JEFFORDS,
DAN COATS,
JUDD GREGG,
BILL FRIST,
MIKE DEWINE,
JOHN ASHCROFT,
SPENCER ABRABAM,
SLADE GORTON,
Managers on the Part of the Senate.

CAMPAIGN FINANCE REFORM ACT OF 1996

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 481 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 481

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3820) to amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on House Oversight. After general debate the bill shall be considered for amendment under the five-minute rule and shall be considered as read. No amendment shall be in order except an amendment in the nature of a substitute consisting of the text of H.R. 3505, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution. That amendment may be offered only by the minority leader or his designee, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against that amendment are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendment as may have been adopted. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. UPTON). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

(Mr. SOLOMON asked and was given permission to revise and extend his remarks and to include extraneous material).

Mr. SOLOMON. Mr. Speaker, House Resolution 481 is a modified closed rule providing for the consideration of the bill H.R. 3820, which is the Campaign Finance Reform Act of 1996.

The rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on House Oversight.

The rule makes in order one amendment in the nature of a substitute if offered by the minority leader or his designee, consisting of the text of H.R. 3505 that I believe was introduced by the gentleman from California [Mr. FARR], as modified by an amendment printed in the report and the rule.

All points of order are waived against the substitute, the Democrat substitute, as modified. The substitute will be debated for 1 hour equally divided between the proponent and an opponent.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, just as the rule now self-executes a further amendment to the Farr substitute by the Democrats, I will also offer an amendment to this rule at the conclusion of my opening remarks that will self-execute the adoption of an amendment to the base bill printed in yesterday's CONGRESSIONAL RECORD by Chairman THOMAS. In other words, an equal situation.

Since the rule was reported last week, the gentleman from California [Mr. THOMAS] has had further discussions with Members and leadership to reach a compromise that is acceptable to a larger group of Members of this House, including a number of Democrats as well as some Republicans.

The provisions of that compromise will be discussed in greater detail during further debate on this rule and, of course, on the bill itself. Suffice it to say that it will reduce the contribution limits for individuals, for PAC's and for parties that are now in the bill.

Mr. Speaker, this rule was reported to the House by voice vote after a motion was agreed to that it be reported without recommendation. While that is an unusual action for the Committee on Rules to take, it does reflect a sincere difference of opinion among our members over the proper course of action to take on this issue and this rule at this point in our session.

On the one hand, there is a strong case to be made on an issue such as this to allow for just one minority substitute. In fact, in the last two Congresses, the 102d and 103d Congresses, controlled then by the Democratic Party, only one amendment was allowed on the campaign reform bill considered, and that was a minority substitute.

On both of those occasions, the majority party, the Democrats, even denied the minority a motion to recommit with instructions. That is something that we are not going to do, we have not denied to the minority in this rule, because we have guaranteed that right by a new House rule adopted at the beginning of this Congress; and the minority, whether they be Republicans or Democrats, ought to have that right to put forth a position of their party.

So we are actually giving the minority twice as many amendments as they gave us over the last 2 Congresses for the last 4 years.

Notwithstanding that precedent of allowing only one minority substitute on campaign reform bills, there were some of our Members who thought we should make, in order, more amendments out of the 27 or so that were filed with the Rules Committee.

There were other Members who thought we should not even take up any campaign reform bill since it was already dead, defeated in the Senate and stood no chance of becoming law, so why waste the valuable time of the House considering what we have to accomplish here in just the next 26 legislative days, which is all that is left.

But politics is the art of compromise, and this rule is a product of compromise. Our leadership has committed to bring this issue to the floor for a vote, and that is what we are doing today. In the final analysis we are the leadership's procedural committee, so we are carrying out their wishes.

Moreover, as I stated earlier, the leadership has further agreed to allowing the new compromise language of the gentleman from California [Mr. THOMAS] to be offered by way of an amendment to the rule that I have just explained. That compromise does accommodate recommendations made in other amendments filed with the Committee on Rules.

So we have honored our responsibility to the leadership by bringing this rule to the floor in order to allow the House to vote on whether it wants to consider the majority or minority campaign reform alternatives.

Mr. Speaker, the issue of campaign finance reform is a very sensitive and important matter for all of our colleagues, for nonincumbent candidates, and for the people that we represent. Every Member of this body is an expert of sorts on campaign financing since we have all been through that at least one successful campaign or else we would not be here, in my case it is 17 campaigns, and we all favor a campaign system that is open, that is fair, and that is clean and competitive.

Mr. Speaker, we have come a long way over the past several decades in achieving a more open and more aboveboard campaign financing system, due largely to the detailed disclosure laws we now have for individuals, for party and PAC contributions. However, when it comes to how we might further improve that system, there is a wide divergence of opinion, both inside and outside this House, as to what we ought to do.

That was certainly in evidence in the variety of amendments filed before our Rules Committee last week, all of which were by very sincere Members on both sides of the aisle who have very strong feelings about the way they think we should go. I think it is fair to say that there is very little support either inside this House or among our constituents for funding congressional campaigns with taxpayer dollars. I for one am unalterably opposed to that. Yet, that is how we finance Presidential campaigns to a greater degree.

Another alternative is to encourage candidates to agree to certain contributions and spending limits in return for certain other benefits such as reduced rates for postage and broadcast time. I am unalterably opposed to that. Under no circumstances should we be giving discounts on postage, which is going to drive up the cost of letters that our constituents might want to mail. That is the wrong way to go, and by all means we should never be placing a mandate on the private sector to help fund our campaigns. That is outrageous. It is ridiculous.

There are others who argue just as forcibly that imposing spending limits, even on such a voluntary basis, inures to the benefits of incumbents who have better name recognition to begin with by virtue of their holding office.

In short, Mr. Speaker, no matter how we squeeze this balloon, no matter whose idea of reform we adopt, someone will be considered as having a greater advantage depending on how we devise the campaign financing mechanisms. There will always be perceived winners and losers and at will always be in the eye of the beholder as to who has the upper hand. In the final analysis, however, there is no such thing as a perfect or pristine campaign financing system.

As I indicated at the outset, probably one of the most important reforms ever adopted was the current disclosure system which allows the voters to decide how much weight to give to the mix of contributions a candidate receives and from what sources.

I for one think there is more that we can do to improve our campaign financing system, but I also have a lot more confidence in the wisdom of the voters to take into account how we each finance our campaigns than I do in those who would severely limit the ability of all candidates, incumbents, and challengers alike, to raise sufficient funds to run a competitive and credible campaign, given the costs involved.

I do not subscribe to the view espoused by some that any candidate, regardless of party or political philosophy, is somehow bought, tainted, or beholden to his or her campaign contributors. The fact is we all receive contributions from a wide variety of individuals and groups who choose to support us because of our views and our campaign promises and/or because of our previous voting record.

I know of very few Members of this body, or challengers for that matter, whose views are shaped by the amounts of money that they might receive from campaign contributions. I think we demean ourselves and this system by giving credence to such a cynical view. I for one resent it when such accusations are made of honorable men and women who run for office. It is tough enough to get good, capable people to run these days.

In conclusion, Mr. Speaker, while I reserve decision on whether or not to vote for the bill that this rule makes in order, I do urge every single Member to come over and vote for the rule. While we already know that the other body will take no further action on this issue in this Congress, at least our debate today in this House on two alternatives before us will give us a better idea of what we might want to do in the next Congress. We will have moved the process at least one step closer to arriving at some consensus in the future.

Mr. Speaker, I include the following material for the RECORD:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of July 24, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open [2]	46	44	81	60
Structured/Modified Closed [3]	49	47	37	27
Closed [4]	9	9	17	13
Total	104	100	135	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of July 24, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of July 24, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of July 24, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	A: voice vote (6/12/96).
H. Res. 451 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. 453 (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	A: voice vote (6/13/96).
H. Res. 455 (6/18/96)	O	H.R. 3662	Interior Approps, FY 1997	A: voice vote (6/19/96).
H. Res. 456 (6/19/96)	O	H.R. 3666	VA/HUD Approps	A: 246–166 (6/25/96).
H. Res. 460 (6/25/96)	O	H.R. 3675	Transportation Approps	A: voice vote (6/26/96).
H. Res. 472 (7/9/96)	O	H.R. 3755	Labor/HHS Approps	PQ: 218–202 A: voice vote (7/10/96).
H. Res. 473 (7/9/96)	MC	H.R. 3754	Leg. Branch Approps	A: voice vote (7/10/96).
H. Res. 474 (7/10/96)	MC	H.R. 3396	Defense of Marriage Act	A: 290–133 (7/11/96).
H. Res. 475 (7/11/96)	O	H.R. 3756	Treasury/Postal Approps	A: voice vote (7/16/96).
H. Res. 479 (7/16/96)	O	H.R. 3814	Commerce, State Approps	A: voice vote (7/17/96).
H. Res. 481 (7/17/96)	MC	H.R. 3820	Campaign Finance Reform	
H. Res. 482 (7/17/96)	MC	H.R. 3734	Personal Responsibility Act	A: 358–54 (7/18/96).
H. Res. 483 (7/18/96)	O	H.R. 3816	Energy/Water Approps	A: voice vote (7/24/96).
H. Res. 488 (7/24/96)	MO	H.R. 2391	Working Families	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 2, line 8, strike ''No'' and insert the following:

''The amendment numbered 1 printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII on Wednesday, July 24, 1996, by Representative THOMAS of California shall be considered as adopted in the House and in the Committee of the Whole. No other''.

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

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is such a bad rule for such a bad bill that even my Republican colleagues had difficulty last week when the time came to vote to report it. For the first time in my memory, and I am assured for the first time in history, the Committee on Rules has reported a rule without recommendation. This rule is so bad that the Republican leadership was forced to postpone its consideration for a week. I was under the impression that campaign finance reform had been envisioned as the centerpiece for Reform Week. But because this rule has engendered significant opposition as evidenced by the manner in which it was reported from the Rules Committee, perhaps it was postponed until a fix for the bad rule and the bad Republican bill could be pieced together. Otherwise it seems that this rule might have been in danger of losing had it been brought to the floor last week.

So in an attempt to reform this so-called reform proposal, my Republican colleagues are now proposing an amendment to H.R. 3820 which will not be considered by the Committee on House Oversight nor will it be considered by the House Rules Committee and in fact it really will not be considered by the full House.

□ 1145

The chairman of the Committee on Rules has been forced to come to the floor and offer an amendment to the rule which will self-enact significant changes in the bill authored by the gentleman from California [Mr. THOMAS] in the hopes of passing a rule for a bill which he admits is going nowhere.

But in the interest of full and open debate, I will oppose the previous question at the conclusion of the debate on this rule. I will oppose the previous question in the hopes that the rule can be changed to not just insert the changes proposed by the gentleman from California, Chairman THOMAS, to his bill, but to allow any Member to offer any germane amendment to the base bill.

The Thomas-Solomon amendment still does not address the significant philosophical differences expressed by the gentlewoman from Washington [Mrs. SMITH], by the gentleman from Connecticut [Mr. SHAYS], and by the gentleman from Massachusetts [Mr. MEEHAN]. I hope the House will vote against the previous question in order to allow debate on this important proposal offered by these three Members as well as many other Members of the House.

Chairman SOLOMON is asking the House to adopt an amendment to the Thomas bill when the reported rule itself only allows for consideration of one other amendment, a Demoractic substitute to be offered by the gentleman from California, Mr. FARR. The House should have the opportunity to consider the Smith-Shays proposal, as well as a number of other important amendments that were presented to the Rules Committee.

Chairman SOLOMON has offered an amendment which significantly changes the Thomas proposal. I must ask, Mr. Speaker, why is this amendment being brought to the floor with little or no consideration or debate when other amendments have been shut out? Could this amendment be a bone tossed to those Republican Members who objected to the original Thomas proposal as one that gave wealthy individuals inordinate influence in the political process?

The Solomon-Thomas amendment to the Thomas bill reduces the amount of permissible individual contributions from $2,500 to $1,000, the allowable contribution under current law. PAC contributions are unchanged from the Republican bill, $2,500 per election and $5,000 per cycle. The amendment does establish an aggregate annual limit for individuals at $50,000 per year, the same as the Democratic substitute. But even if hard money contributions have been reduced from the original Thomas proposal, soft money contributions remain unlimited.

Mr. Speaker, this amendment does reduce some of the difference between the Republican bill and the Democratic substitute, but there are still significant differences that are at play. The Republican bill still does not limit campaign expenditures. The Democratic substitute does, by limiting spending to $600,000 per election.

In spite of these new amendments offered today, by not limiting campaign spending, the Republican bill still says there is not enough money in campaigns. The Thomas bill will still adhere to the philosophy espoused by Speaker GINGRICH last fall when he told the Committee on House Oversight, ''One of the greatest myths of modern politics is that campaigns are too expensive. The political process, in fact, is underfunded.''

The Thomas amendment appears to limit the influence of wealthy contributors, but in fact, that is an illusion. The illusion becomes especially apparent when examining those provisions of the Thomas bill which require that 50.1 percent of a candidate's total fund-raising must come from in-district contributions.

I am particularly troubled by this provision, since those candidates with wealthy friends who happen to live within the boundaries of the congressional district can raise virtually unlimited amounts of money, which will then be matched by PAC contributions and contributions from individuals who live outside the district.

While the in-district fundraising requirement raises serious constitutional freedom of speech questions, it is also inherently unfair to those candidates who either represent areas with low-income residents or who cannot depend on wealthy individuals to up the fundraising ante for them. I fear the candidates who will be most adversely affected will be African-Americans, Hispanics, and women. I must hold suspect and I will oppose any system which systematically denies those groups access to the political process, and that is what the Thomas proposal does.

I would like to elaborate on a specific example that I raised in the Rules Committee on this point. If an individual candidate happens to have two wealthy precincts in his district, and he has 100 people from those two wealthy precincts out to the local country club and they give him $2,000 each, he can raise $200,000 from 100 people in those two wealthy precincts in his district. Then he can match that with $200,000 from PAC's and from wealthy individuals who do not live in his district, thereby raising $400,000.

If the challenger has a lot of small events and raises a lot of small contributions totaling $50,000 inside his district, he can then match that with $50,000 from outside his district. He will only be able to spend $100,000. The other candidate, who can raise a lot of large dollar contributions inside his district, would be able to spend $400,000, four times as much as the second candidate.

What kind of reform is this? I contend that the end result of the Thomas proposal will be to distort the original purpose of campaign finance reform as well as the current calls for reform of the system. I urge my colleagues to vote against the previous question to allow for free and open debate on this issue.

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

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from Sanibel, FL [Mr. GOSS], one of the very valuable members of the Committee on Rules, the subcommittee Chair.

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

Mr. GOSS. Mr. Speaker, I thank my friend from new York, [Mr. SOLOMON] who is the distinguished chairman of the Rules Committee, for yielding me the time. I must commend him on his handling of this extraordinarily difficult piece of legislation. His leadership and open-mindedness on this matter I think have been exemplary. This rule has truly required the wisdom of Solomon.

Most agree that the current system is not working, and we all understand that Americans have become disillusioned with the political process. But the proposed solutions that we have got really run the gamut, and generating a consensus is extremely difficult, not quite impossible but extremely difficult.

Our Committee on Rules action on this matter represents a microcosm of the divergence of views, as we have heard from the two previous speakers. Even our majority Members in the committee were torn about what is the best way to go, which explains why this rule did originally come forward without our expressed endorsement. It is also why we have an amendment to the rule to incorporate additional changes in the base bill, as we have heard.

Although I believe the amendment to the rule makes improvements in the base bill, most notably by sending a stronger signal that we want to control the flow of money into campaigns, it is still my view that this bill needs lots more time, lots more work. It is not comprehensive campaign reform, and I make no pretense that it is. But it is an important, if small, step toward full reform for the first time in this Congress in decades.

Mr. Speaker, it is true the 104th Congress has made some remarkable changes in how we do business. We adopted a stringent gift ban. We implemented real lobby disclosure reform. We put in place changes to promote accountability. We brought sunshine in. We restored some public confidence.

Yet, even with these landmark reforms, Congress continues to suffer from a serious credibility problem, based in part on the skepticism with which people view political campaigns. I must say, I agree. The Federal election laws are outdated. They are overdue for reform.

H.R. 3820, as improved by this rule, has some very good features. It requires that 50 percent of all contributions come from a candidates's home district.

It bans soft money. It eliminates leadership PAC's. While the original bill recognized that individuals and PAC's should be treated equally when it comes to contribution limits, albeit at a higher limit than exists today, the amendment to the rule would maintain a discrepancy between levels of contributions by individuals and PAC's.

This provision, to me, represents sort of a mixed bag. It is preferential to the original language in the bill since it maintains the current $1,000 threshold for individual donations. it keeps them low, but I believe it loses almost as much ground as it gains in giving up on the idea of equalizing PAC's with individuals, since a lot of us think it is very important to treat PAC's and individuals the same.

My proposal and my practice is to keep the individual limit at $1,000 and lower the PAC limit to that same $1,000 amount, and it works well for me. Not only does my bill, which is not in order today, equalize contribution limits at the $1,000 level, it also requires that 50 percent of contributions come from a candidate's district and that 90 percent come from within a candidate's State. Other Members have similar thoughts.

I think it is vital that we restore the direct link of accountability between elected officials and the people they represent and work for. That is what this is about, accountability. The bill before us makes progress in that regard, and obviously it needs to go further.

I must say I do not believe the Democratic substitute we will consider today is a worthwhile alternative, in that it advocates retaining higher spending by PAC's, even more money from PAC's, and provides roundabout incentives for overall spending limits which tilt the field toward incumbents, and that we hear a lot about. We do not want to give the incumbents the advantage.

In addition, the Democratic substitute makes no attempt to protect union members from misuse of their dues, and that is an issue this year, some 35 million dollars' worth of issue, something that H.R. 3820 does address in a very meaningful way.

In closing, I commend the gentleman from California [Mr. THOMAS] and him committee for trying to bring a consensus measure forward, a measure I will support on the understanding that more will be done toward full reform.

Meanwhile, Members have another option, and it is one I am going to take. That is the choice to voluntarily self-impose more stringent standards in one's own campaign, including things like tighter limits on PAC's, perhaps fewer dollars spent on franked election pieces, which are thinly disguised as newsletters sometimes. Those options are out there for each Member.

Meanwhile, I urge support of this rule in order to begin the debate on reform that I predict will last for years before consensus is found, but at least we are beginning the debate.

Mr. FAZIO of California. Mr. Speaker, will the gentleman yield?

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

Mr. FAZIO of California. Mr. Speaker, the gentleman indicated that this Republican bill bans soft money. I think that is a gross misstatement. The bill does not change existing law as to how soft money would be transferred among committees, nor does it limit it, but it does open up an exceedingly large new approach to spending soft money.

Mr. GOSS. Reclaiming my time, I will leave the debate on the merits of the bill, as it should be, to the debate on the subject, not a debate on the rule.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I will not oppose the rule, but I do oppose the underlying purpose driving this legislation.

In addition to seeking to increase the ability of the wealthy to dominate the political process, this bill also contains labor law provisions that have never been reported by committee and are nongermane to the issue of campaign finance reform.

Title IV of the bill requires unions to obtain annual written authorization from a worker before that worker may pay any money to a union for services not directly related to the provision of representation. In effect, this section repeals the right of workers to voluntarily join unions. It also diminishes a right to organize or litigate on behalf of their members.

H.R. 3820 imposes costly and burdensome paperwork requirements on unions. The cost of these reporting requirements alone has been estimated at approximately $200 million a year.

Mr. Speaker, this provision is placed in the bill solely to harass and harm labor unions. It is absolutely unnecessary.

Unions are democratic organizations whose officers and policies are determined by the majority will of their members. Unions are already under more extensive reporting and disclosure requirements than virtually all other institutions. No one is required to join a union.

Unions are obligated by law to inform relevant employees that they are not required to pay full union dues. Unions must inform such employees of the percentage of their union dues that are used for purposes other than directly related to collective bargaining.

The alleged evil that this legislation seeks to address is already fully regulated by law. Employees can protect their rights simply by filing a charge with the National Labor Relations Board. The Beck decision created a right for workers who disagree with the majority of their fellow workers to object to paying for certain union activities.

Rather than protecting the right of the minority to object to certain expenditures, this legislation imposes absurd obstacles in the path of the majority's ability to engage in political activity.

Both labor unions and corporations participate in politics. Corporations spend millions of shareholder dollars for the purpose of directly influencing the political process. Views expressed by corporations do not necessarily reflect the views of those who are paying for that expression, the shareholders, or those who are generating the money, the employees.

The Republican majority has singled out labor unions for a kind of harsh, punitive treatment not imposed on corporations.

□ 1200

Mr. Speaker, this legislation is not about protecting free and open political discourse, and I urge Members to vote against H.R. 3820.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Naperville, IL, Mr. HARRIS FAWELL.

Mr. FAWELL. Mr. Speaker, I thank the gentleman for yielding me this time, and I certainly rise in support of this rule and of the campaign reform legislation which we will be debating today.

Title IV, as has already been indicated, of the campaign finance bill is a revised version of legislation that I introduced, which is referred to as the Worker Right to Know Act. This legislation is designed to implement the basic rights of workers established in the U.S. Supreme Court Beck decision back in 1988. It has never been implemented.

Although the Worker Right to Know Act is being portrayed by some as something of a Trojan horse that will destroy unions, I hope that my colleagues will view the legislation for what it is; namely an empowerment for working men and women who, in order to keep their jobs, and this is very important, in order to keep their jobs they are obligated to pay collective-bargaining union dues. It is called a union security agreement, and that is key to the discussion.

Why is this legislation necessary? The fact of the matter is that almost a decade after the Beck decision, workers are required to pay union dues as a condition of employment and are not aware that under Beck they are not obligated to pay non-collective-bargaining dues, nor do they know, really, how to implement the Beck rights.

A recent poll conducted for Americans for a Balanced Budget found that, of the 1,000 union members polled, 78 percent did not even know that they had a right to a refund of the non-collective-bargaining portion of their dues. And 58 percent did not know their dues were even used to support political activities.

I held a hearing on the issue of mandatory union dues in the Subcommittee on Employer-Employee Relations of the Committee on Economic and Educational Opportunities. We heard the frustration being expressed by the employees caught up in the current system who feel forced to support ideological, political, and social causes that they do not agree with. They cannot walk away and leave the union because they must pay the dues. My colleagues would also find it impossible, as I did, to tell them that the time is not right for reform.

The Worker Right to Know Act thus provides that an employee cannot be required to pay to a union nor can a union accept payment of any dues not necessary for collective bargaining unless the employee consents in writing in a written agreement with the union.

The bill also provides that the agreement must also include a ratio of both collective bargaining and non-collective-bargaining dues. The legislation requires such agreements to be renewed annually, and that is basically it. That seems to me to be basic democracy.

What we have here is we have revised this bill to basically say written consent and just tell us what the ratios are. That is all.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I have been at the center of virtually every effort to reform campaign finance since the day I walked into this institution, but this exercise today is absolutely useless. It is going to produce a useless bill, which is an absolutely fraudulent imitation of real campaign reform. It gives the wealthy an even greater lock on the political system than they have right now.

The main issue in campaign finance is simply, how do we change the fact that wealthy people have far too much influence on politics today, whether they give individually or collectively?

The existing campaign finance system is beyond repair. It ought to be blown up. What amazes me is that we continue this fiction in this place that somehow elections ought to be handled as a private matter. There is no more public activity in which American citizens engage than electing the leaders who are supposed to help run the country.

This is a public responsibility. It should not be financed by the richest private deep-pockets people in this country. That is why the electoral system is virtually owned lock, stock, and barrel by the economic elite in this country, and we are not going to change that until we blow up the existing system.

I am against this silly rule because it refused to allow my amendment to be offered which would have banned all private money whatsoever in general elections. It would have eliminated all soft money loopholes. It would have eliminated the fiction that we have something called independent expenditures, which are just another legalized sham to get around the law. It would have imposed limits on what political candidates can spend, and it would have ended the ability of both parties to launder money and get it to their own candidates.

It would have financed that by imposing a one-tenth of 1 percent assessment on all corporations who make profits of more than $10 million. It would have created a fund into which individual Americans can voluntarily, I emphasize voluntarily, voluntarily contribute as much money as they choose in order to create a grassroots democracy fund out of which campaigns would be funded on a public basis.

The Republican bill that is being brought out here today, for instance, says there ought to be a 50 percent requirement for funds that are raised in a Member's district. What an absolute sham. That means that someone under independent expenditures can spend $100,000 or $200,000 raised outside of a candidate's State. They can go into his district and spend a million bucks if they want to in an independent expenditure, and yet the target of that expenditure is defenseless because he has to limit what he can raise to his own district.

What an absolute prescription to give the millionaires and billionaires of this country an opportunity to own the system even more than they do today. It is a disgrace and the Democratic alternative is too weak to do any good. I am against the whole shebang.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington State [Mrs. SMITH].

Mrs. SMITH of Washington. Mr. Speaker, I stand today against this rule because we are right at the same place we have been for many years. A

couple of powerful people will decide what is going to be their partisan bill and bring them out to the floor and beat each other up with them.

I do have to say there seems to be a little more openness on the Democrat side to try to come up with something than there was on the Republican side, but what we find here is a question of why do we need reform. Simple as this: The Republicans, who have the Contract With America, promised this. The gentleman from Texas, DICK ARMEY, said we are united in the belief the people's House must be wrested from the grip of special interests and handed back to the American people.

It is as simple as this. We made our commitments. Promises made. Now it is time to keep those promises.

Neither one of the bills included in this rule do anything but tighten the grip or give credibility to the grip. The American people need to understand that the Republican bill before us today tightens the grip. It gives credibility to the money-laundering soft money system. It solidifies it in law. If people do not think the tobacco industry has some kind of a toehold, at least a little grip on this place, hang around here for a year as I have.

The Democrat bill still lets big groups give $8,000, one check at a time, night after night, at fund raisers here in Washington, DC. We all can do better than that.

What I challenge both sides to do is, we have 3 hours. The American people are watching. Are we going to beat each other up the rest of the day over partisan positioning, making nasty remarks about each other, or are we going to spend these 2 hours trying to come together? We have a recommittal vote that will take the Democrats agreeing, working together with some Republicans. We can still bring a good bill to this floor. I would ask that we think about that and vote against the rule.

Mr. FROST. Mr. Speaker, I yield 1 minute and 10 seconds to the gentleman from California [Mr. FARR].

Mr. FARR of California. Mr. Speaker, I appreciate the gentleman yielding me this time.

Mr. Speaker, I rise on the rule. This rule brings two bills to the floor. It brings the Republican bill, H.R. 3820, authored by the gentleman from California [Mr. THOMAS], and it brings the Democrat bill, H.R. 3505, which I have authored. I have authored it as a substitute to the Republican bill.

The rule, as it is designed in coming before us right now, reflects what the Republicans want, which is new law with no spending limits; no limits, no caps, and no reform.

But, I say to my colleagues, we have a choice: true reform with limits, which is the alternative. It limits PAC's, limits large contributions, and it limits what rich candidates can put into their own campaigns. It allows small contributors to contribute and bring back into the role of choosing their candidates for public office.

I support the rule and I urge my colleagues to support the rule. The rule is tight, but it is the only way that it allows us to debate campaign reform this year.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, there comes a time in a legislator's life when he or she has to be held accountable. On the issue of campaign finance reform that day has arrived.

We have been talking about reforming the way Congress does business for this entire Congress. Fundamentally, there is no more effective way to change the way Congress does business but than to change our campaign finance laws. We have cajoled. The Republican leadership has delayed this issue, played games with this issue.

We were supposed to deal with it last week, now we are going to deal with it this week. And what do we have? We have a group of us who have worked in a bipartisan way, 21 Democrats and 20 Republicans, in a bicameral way, working with Members of the U.S. Senate to come up with a bill that will do two things: first, voluntarily cap how much money is spent in elections and, second, curb the influence of special interest PAC's.

The President is waiting at the White House for that bill and he is ready, willing, and able to sign it. But that has the Republican leadership nervous, so we have a rule before the House that does not allow the bill, the bipartisan bill, which has more editorial and public support all across America than any legislation on campaign finance reform that we have dealt with in recent years.

What do they put in its place? They put in a bill that is such an embarrassment to their own membership that, when we were debating 1-minutes this morning, not one Republican came to the floor to defend that phony, foolish piece of legislation called campaign finance reform.

There are no spending limits. It codifies the corrupt soft money loophole. It doubles the aggregate amount that an individual can contribute to parties and Federal candidates without capping the contributions. There are so aggregate limits.

This bill that they have submitted is a sham. This debate is a sham, and the American people are going to call it for what it is.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Rocklin, CA, [Mr. JOHN DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I rise to oppose this rule because it only allows two versions of campaign finance reform, both of which miss the mark. They are both based on the false diagnosis that campaign spending is out of control. They are both offering the false prescription that more regulation and limits are needed.

With reference to the false diagnosis, indeed, looking back over history, we can see election spending since 1980 has been fairly constant, fluctuating between four one-hundredths of 1 percent and six one-hundredths of 1 percent of gross domestic product.

□ 1245

Americans spend more each year buying yogurt and buying potato chips than they do on congressional elections. Clearly, we are not spending too much money when juxtaposed with other legitimate expenditures that we are making.

As to the prescription that more regulation is needed, has anyone heard of the first amendment? Congress shall make no law abridging the freedom of speech. I listened to the gentleman from Wisconsin over here. Congress specifically and the people of this country specifically did not want government regulating this with all the force that government can bring. They wanted people to be able to vote, and that is how they would make their decisions. When we imposed campaign spending limits, we hurt the challenger.

If you do not believe that, just listen to what Mr. David Broder had to say recently in the Washingtonian. He said, raise the current $1,000 limit on personal campaign contributions to $50,000, maybe even go to $100,000. Today's limits are ridiculous, given television and campaign costs. Raising the limit with full disclosure would enable some people to make really significant contributions to help a candidate.

For these reasons, we should oppose the rule and the bills.

Mr. FROST. Mr. Speaker, I yield 2½ minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding me the time. I stand in strong support of this rule. This is the so-called Reform Week, but the most important reform, campaign finance reform, will not be reformed.

We have before us today two drastically different approaches to campaign finance. The Republican bill puts more money in the system. The Democratic bill limits the amount, voluntarily limits contributions, expenditures, and limits soft money. The two bills are miles apart, and really dead on arrival.

This rule is an extremely interesting one. For the first time in recent memory, the Committee on Rules reported out a bill that does not urge the adoption of the rule. I commend my friend and colleague, the gentleman from New York, for this legislative innovation. I believe the Republicans are pulling out all stops to save the Republicans from the major embarrassment of having to vote on their radical, out of touch, more money, more special interest in politics.

We need a vote on this rule. We need to let our constituents and the American public know whether their Congressperson supports more money

in the system or less money in the system, so that when they go to vote this fall when we are up for election they will know how their Congressperson voted on campaign finance reform: More money, more special interests or less money and less special interests.

I truly believe that given the fact that these bills, campaign finance bills, died in the Senate that both of these bills are dead on arrival. The only real chance for campaign finance reform in this session is an independent commission.

Mr. Speaker, you publicly endorsed it. You shook hands on it. Let us turn the promise of your handshake into the reality of a law.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, the previous gentleman from California lamented that the American people spend more on potato chips than they do on campaigns. The problem is that in campaigns, they are spending $1,000 a bag. Some of them just cannot stop with one.

Democrats say they want campaign finance reform. Republicans say they want campaign finance reform. The public demands campaign finance reform. Mr. Speaker, this is not campaign finance reform.

Most people think the problem with campaigns today is that there is too much spending in elections. This bill on the floor says the problem is there is not enough spending in elections.

This bill increases the amount that the wealthiest can contribute. That is not reform. This bill increases the amount that individuals can give to political parties. That is not reform. It does nothing to stop the unlimited soft money, the real loophole in this present process. That is not reform. It does nothing to limit giving to the political parties. In fact, it increases how much you can give. That is a big loophole. It does nothing to reign in independent expenditures, one of the biggest loopholes around right now. It does nothing to limit how much political parties can spend in behalf of a candidate. That is a big loophole. That is not reform. It has nothing to do with what the American people want and what they tell me. It does nothing to limit the cost of a congressional campaign. That is not reform.

There is already too much spending in elections, too much time spent on fundraising. So presumably then reform would limit this, would it not? Not this bill. It means more spending, more fundraising, more costs, more money in elections. That is not reform.

Mr. Speaker, it is clear to me the public is going to have to demand and take this matter into their own hands by demanding that candidates live up to a voluntary code. The public is going to have to demand its own reform because this leadership is not bringing that reform to the floor today. It is not reform.

Please, vote against the bill. But let us vote for the rule to get this debate started, and maybe 1 day we are going to get some real campaign reform around here.

Mr. THOMAS. Mr. Speaker, this is always a very difficult time for Members because we are dealing with something which affects every one of us.

It is also especially troublesome because we are dealing with an attempt to write law in an area where the Constitution is fairly clear and the Supreme Court, periodically and most recently, reclarified where we are dealing with people's fundamental first amendment right of freedom of speech.

But I do have to say that the gentleman from West Virginia and several other speakers have certainly exercised their free speech rights in characterizing and perhaps overzealously characterizing provisions in both bills.

These bills do in fact limit. Ours limits, it limits in a different way. When we get into discussions about the bills and their substance, we obviously will have a lot of time to talk about the new way in which wee limit.

I am going to spend some time talking about the common way in which both bills limit and reform. It just seems to me that as we discuss what we are doing here, we do have to keep in mind that there is a Constitution, that there are rights.

The Supreme Court has corrected the overzealousness of Congress in the past. We should move reform. It should be done carefully. We will talk about the substance.

But as we deal with the rhetoric, and it appears that we are warming up on the rhetoric, we really ought to try to stick to the facts and the substance, because, frankly, some folks are getting just a little carried away.

For example, the gentleman said that there were no limits whatsoever on the amount that individuals could give to parties. There is. There is an aggregate limit in the Democrats' bill and in our bill, and it is the same amount.

Mr. WISE. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from West Virginia.

Mr. WISE. Does the gentleman do anything to limit soft money? Does the gentleman's bill do anything to limit soft money?

Mr. THOMAS. Yes. In our bill we take that money which can now be spent, the money which national parties can now spend in mixed activity in which they can utilize all soft money, and say, any time the national party is involved with Federal candidates, it must be so-called hard money, you cannot use soft money. That is a change.

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, I would like nothing better than to reach out and work with the gentleman from California [Mr. THOMAS], with the gentlewoman from Washington [Mrs. SMITH], with other Members of the Republican side of this House and try to develop a genuinely bipartisan approach to this very difficult problem. So long as campaign finance reform is just a matter of how you can do more harm to your opponents than you can do unto yourself, we are not going to get anywhere.

That is where we are this morning, because the Republican leadership of this House is so afraid of a bipartisan approach, the Clean Congress Act, they will not even permit a vote on it. They have come this morning, determined to poison the well with their labor baiting, which they could have handled in a separate piece of legislation. But just in case there was any chance this Congress really might get down to the business of reform, they added a little poison, just to be sure that this Congress did not clean itself up.

You talked about having a shovel up here to clean up the Congress, but what you really have in mind through this bill is to shovel in just a little more special interest money.

One partisan after another gets up to defend this approach. Do not look to the Democrats or to the Republicans on this. Look to every nonpartisan organization that has ever tried to clean up the campaign finance system. You will not find one, not one organization in this country that endorses the kind of sham that we are offered today in this piece of legislation.

Whether it is the League of Women Voters, whether it is Common Cause, whether it is the National Council of Churches, they reject this because it is not reform. It leads us down the road to one roadblock after another to block the legitimate concerns of the American people.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. THOMAS], chairman of Committee on Government Reform and Oversight.

Mr. THOMAS. Mr. Speaker, yet another example of overzealousness.

The gentleman said that what we do is allow more folks to shovel in even more special interest money. Special interest money is usually defined as political action committee money. Our bill cuts political action committee contributions by 50 percent, far more than the Democrats' bill provides.

We had testimony in front of the committee that labor unions are now involving themselves in the political process to the tune of $300 to $400 million. That amount is not disclosed.

The provisions that we have in the bill requires that union political money to be disclosed. What we do is empower the rank and file to say, if you want your money spent for those political purposes, by all means, tell the unions to go ahead. But if you do not, following the court's decision, you can say no. We allow the rank and file to say no to the unions if they want to. It is their choice.

That is the kind of positive reform many Democrats are afraid of.

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I thank my friend from Texas for yielding me this time.

Mr. Speaker, the gentleman from California [Mr. THOMAS] is correct on one point; that is, that campaign finance affects each Member of this House and we are not exactly objective. But we should be concerned when every interest group, public interest group, has said that the Republican bill is phony and it is worse than no change in the current law. There is good reason for that.

I am concerned that this rule does not give us the opportunity to have a free and open debate in this House.

The Republicans told us that we were going to have open debates on the floor, but this rule does not permit it. There is a bipartisan bill that was developed by Democrats and Republicans. We are not going to have the opportunity under this rule to offer that bipartisan substitute.

There are concerns that many of us have. The Thomas bill allows soft money to be used by special interests, by corporations, by large contributors to now do new things to influence congressional campaigns. I would like to be able to offer an amendment to change that.

This bill will now not allow me to offer such an amendment. I believe that our constituents want us to limit the total amount of money spent in congressional campaigns. This rule will not allow me to offer such an amendment.

I believe there should be overall limits on the amount of PAC contributions that we can accept. This rule will not allow me to offer that amendment.

I urge my colleagues to do what the gentleman from Texas has suggested. Let us defeat the previous question so we can have a true, open debate on this floor.

Mr. SOLOMON. Mr. Speaker, I would just say to the previous gentleman that he should not stand up and say that the rule prevents the bipartisan alternative to be offered on the floor. We are giving you twice the time that you have given us in the past two Democrat Congresses when you were in power. We are giving you two bites, and you just heard the main sponsor say that she was going to have the opportunity to offer that in the motion to recommit.

Please do not try to confuse the Members. You will have two bites at the apple.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Bloomfield Hills, MI [Mr. KNOLLENBERG].

□ 1230

Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman for yielding this time to me, and I appreciate the mention of Bloomfield. It is my home.

Mr. Speaker, I rise in support of this rule. This rule would allow us to continue the debate not only on campaign finance but on the important issue of a workers right to know.

Mr. Speaker, it is estimated that the union leaders grab anywhere from $709 to $2,019 each year in membership dues. Yet, if you asked the worker how his or her hard-earned money is spent, they probably could not tell you.

After all, Mr. Speaker, union leaders like nothing more than to have their rank and file uninformed about their actions. And when they do decide to inform its membership or the public, it is a sad commentary on truthfulness. Just ask the radio and TV stations who have pulled union ads because of mistruths, distortions, and outright lies.

Mr. Speaker, it is time to let the Sun shine in. Language in H.R. 3760 lets union members decide for themselves whether they want their hard-earned union dues to go toward political scare tactics and misinformation. Whether you are for or against a balanced budget or increasing minimum wage, H.R. 3760 empowers each and every union member to see how their money is spent and object to dues taken out beyond those necessary for collective bargaining purposes.

Mr. Speaker, this is a good rule. I urge my colleagues on both sides of the aisle to vote for the rule and allow us to continue the debate. Employees have the right to know.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise today in support of this rule. The American people deserve a full and open debate on the issue of campaign finance reform. They truly do want to see the system cleaned up.

Unfortunately, Mr. Speaker, the underlying bill makes a mockery of the reform that is needed to restore integrity to our political process. The American people look at this Republican Congress, and they see an institution that is being sold out to the highest bidder.

When my Republican colleagues took over this Congress 18 months ago, they promised to change the way business is done in Washington. Instead they have proved themselves to be masters at the special interest game.

Common Cause, the good government reform lobby, says that the bill that is on the floor today, and I quote: The Thomas bill is a fraud. End quote.

It does not improve our system of campaign finance, it makes the system worse. Wealthy individuals who have reaped the lion's share of Republican tax cuts will be able to contribute even more money to Republicans in the future and have even more influence. The wealthy will still be allowed to funnel unlimited amounts of cash to the Republican Party, and this bill does absolutely nothing to limit campaign spending in congressional races.

But let me just say this is in keeping with what the Speaker, the gentleman from Georgia [Mr. GINGRICH] has talked about in this issue. Speaker GINGRICH has said that we need more money, not less money in our political system and, sadly, this bill lives up to NEWT GINGRICH's vision of reform.

This bill sadly misses an opportunity we so desperately need for reform, and it continues the same old Washington game.

Again quoting Common Cause: Any Member of Congress who votes for the Thomas bill is voting to protect a corrupt way of life in Washington, DC.

I urge my colleagues to vote against this phony reform bill.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Bakersfield, CA [Mr. THOMAS].

Mr. THOMAS. Mr. Speaker, I thank my friend from California for yielding once again. I think we are getting carried away with our own rhetoric. The gentlewoman from Connecticut just said this is the same old Washington game. Apparently she does not understand that in the majority's legislation we end the same old Washington game. We say, ''You have to get a majority of your money from people who live back home.'' We say that the incumbents who had a monopoly on the Washington game do not get it anymore.

Mr. Speaker, it is a fundamentally changed system, and I understand that a number of folk who are, and I will not yield at this point, there are a number of people who are getting carried away with their rhetoric. And I will tell my colleagues that if they do not like the majority's provision, if they do not like the minority's provision, I implore them to talk to the gentleman from Missouri [Mr. GEPHARDT], the gentleman from California [Mr. FAZIO], the gentleman from Texas [Mr. FROST].

Under this rule we have provided a motion to recommit with or without instructions. The gentleman from Wisconsin can have his wishes met, the gentlewoman from Connecticut, if she has a wish, can have her wishes met, the gentleman from Massachusetts [Mr. MEEHAN] can have his wishes met.

If my colleagues do not like what is in front of them, offer it as the motion to recommit. Then we will determine whether they are in this process to promote reform or whether they are in the process to stir the pot and create more rhetoric and confusion in the minds of the American people.

Mr. Speaker, during general debate I will be more than willing to discuss the substance of the bill.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding this time to me. I must say, for me this is a very sad day, because if my colleagues really believe we need the best government money can buy, they must be thrilled.

Let me put this in some kind of context. My average campaign contribution when I first got elected was $7.50. Today it is $50. So I really believe in the Jeffersonian concept that we should not have special interest money here. But nevertheless, this is going to allow more, more, more.

Now we saw something historic. We saw the Committee on Rules report this first reform bill out, without any recommendation, because even they were embarrassed. It allowed a family of four to give $12.4 million. Oh, yes, they would be a real free agent if somebody gave them $12.4 million, and so what they had to do, and let me finish and then I will be happy to yield—

Mr. SOLOMON. The gentlewoman said my name indirectly.

Mrs. SCHROEDER. I said the Committee on Rules. I thought the gentleman's name was SOLOMON. Is the gentleman's name Committee on Rules? I am sorry.

OK. But then what happened is they called on the gentleman from California to do this radical surgery on the bill and so, voila, we now have another bill because they have been promising reform and we have not seen it.

And now we just had the gentleman from California say, ''Our big chance to do something that's really pure is we can all arm wrestle over here for who gets the motion to recommit.'' Well, I mean there are lots of different ideas. What is wrong with the rule that allows us to mend things, discuss things, and so forth?

Mr. Speaker, let me just say what I think the problem is. I think the problem goes back to that bipartisan handshake that we saw the President and the Speaker have in New Hampshire over a year ago when they said, look, this is like base closing. The Congress is not different than any other group. The hardest thing for any group to do is reform itself, and it is especially hard when they are weaning themselves off money. We ought to go back to that concept, get a commission in here and move forward on that. Maybe that should be the motion to recommit, Mr. Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume just to say to my good friend who is retiring, and we are going to miss her dearly in a number of different ways, but I happen to think she is a nice person, and I like her, but let me just say she says the Committee on Rules was embarrassed. That is not true.

I tell my colleagues we have 9 Republicans, we have 4 Democrats, and I would say that of the 13 members, that there were 13 different opinions up there. And when I looked back and look at what we are going to do, and I looked at the 102d Congress which the gentlewoman was involved with and the 103d which she was involved with, and she voted to gag Republicans, according to what she is saying here, the same as she says we are gagging them now, which is not the case. Actually we are giving them twice as many opportunities to work their will on the floor.

As I understood it, the gentlewoman from Washington [Mrs. SMITH] was here earlier, and she said that the Democrats were going to give her the opportunity to offer what she called an alternative, a bipartisan alternative. I do not know that, now I understand that is not going to happen. But as my colleagues know, let us let the House work its will, let us bring this bill to the floor, and let us have meaningful debate, and let us not be so partisan about it. Why do we not just try to discuss the issue and have a good solid debate that the American people understand?

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just say that it is very interesting, and I appreciate the chairman of the Committee on Rules speaking in favor of an open rule on this bill, and that is exactly what I am trying to achieve. The chairman of the Committee on Rules just said, ''Well, let's let this be debated, let's vote on these issues.''

Well, that is what I am proposing, and, Mr. Speaker, I urge a ''no'' vote on the previous question. If the previous question is defeated, I shall offer an open rule which will allow Members to offer any germane amendment to the bill.

I include the text of the amendment and accompanying documents for the RECORD at this point in the debate:

PREVIOUS QUESTION AMENDMENT TEXT—HOUSE RESOLUTION — FOR CONSIDERATION OF H.R. 3820, CAMPAIGN FINANCE REFORM ACT

In lieu of the amendment offered by Representative SOLOMON of New York insert the following:

Strike all after the resolving clause and insert in lieu thereof the following: ''That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) or rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 3820) to amend the Federal Election Campaign Act to reform the financing of Federal election campaigns, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on House Oversight. After general debate the bill shall be considered for amendment under the five-minute rule. At the conclusion of consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions.''

Mr. FROST. Mr. Speaker, at the beginning of this Congress the Republican majority claimed that the House was going to consider bills under an open process.

I would like to point out that 60 percent of the legislation this session has been considered under a restrictive process.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive	N/A.
S. 2	Senate Compliance	N/A	Closed	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive	8D; 7R.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive	N/A.
H.R. 1530	National Defense Authorization Act; FY 1996	H. Res. 164	Restrictive	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive	2R/2D.
H.R. 743	The Teamwork for Employees and Managers Act of 1995	H. Res. 226	Open	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed	.....
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive	1D.
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive	1D.
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive	N/A.
H.R. 2491	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive	1D.
H. Con. Res. 109				
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive	5R.
H.R. 2539	ICC Termination	H. Res. 259	Open	.....
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed	2R.
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed	1D; 2R.
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed	N/A.
	PROCEDURE IN THE 104TH CONGRESS 2D SESSION			
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed	N/A.
H.J. Res. 134	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed	N/A.
H. Con. Res. 131				
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; Rule tabled	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social Security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive	2D/2R.
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed	N/A.
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed	N/A.
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive	N/A.
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive	1D.
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open	N/A.
H.R. 2715	Paperwork Elimination Act of 1996	H. Res. 409	Open	N/A.
H.R. 1675	National Wildlife Refuge Improvement Act of 1995	H. Res. 410	Open	N/A.
H.J. Res. 175	Further Continuing Appropriations for FY 1996	H. Res. 411	Closed	N/A.
H.R. 2641	United States Marshals Service Improvement Act of 1996	H. Res. 418	Open	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 2149	The Ocean Shipping Reform Act	H. Res. 419	Open	N/A.
H.R. 2974	To amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims.	H. Res. 421	Open	N/A.
H.R. 3120	To amend Title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.	H. Res. 422	Open	N/A.
H.R. 2406	The United States Housing Act of 1996	H. Res. 426	Open	N/A.
H.R. 3322	Omnibus Civilian Science Authorization Act of 1996	H. Res. 427	Open	N/A.
H.R. 3286	The Adoption Promotion and Stability Act of 1996	H. Res. 428	Restrictive	1D; 1R.
H.R. 3230	Defense Authorization Bill FY 1997	H. Res. 430	Restrictive	41 amends; 20D; 17R; 4 bipartisan.
H.R. 3415	Repeal of the 4.3-Cent Increase in Transporation Fuel Taxes	H. Res. 436	Closed	N/A.
H.R. 3259	Intelligence Authorization Act for FY 1997	H. Res. 437	Restrictive	N/A.
H.R. 3144	The Defend America Act	H. Res. 438	Restrictive	1D.
H.R. 3448/H.R. 1227	The Small Business Job Protection Act of 1996, and The Employee Commuting Flexibility Act of 1996.	H. Res. 440	Restrictive	2R.
H.R. 3517	Military Construction Appropriations FY 1997	H. Res. 442	Open	N/A.
H.R. 3540	Foreign Operations Appropriations FY 1997	H. Res. 445	Open	N/A.
H.R. 3562	The Wisconsin Works Waiver Approval Act	H. Res. 446	Restrictive	N/A.
H.R. 2754	Shipbuilding Trade Agreement Act	H. Res. 448	Restrictive	1R.
H.R. 3603	Agriculture Appropriations FY 1997	H. Res. 451	Open	N/A.
H.R. 3610	Defense Appropriations FY 1997	H. Res. 453	Open	N/A.
H.R. 3662	Interior Appropriations FY 1997	H. Res. 455	Open	N/A.
H.R. 3666	VA/HUD Appropriations	H. Res. 456	Open	N/A.
H.R. 3675	Transportation Appropriations FY 1997	H. Res. 460	Open	N/A.
H.J. Res. 182/H.Res 461	Disapproving MFN Status for the Peoples Republic of China	H. Res. 463	Closed	N/A.
H. Con. Res. 192	Making in order a Concurrent Resolution Providing for the Adjournment of the House over the 4th of July district work period.	H. Res 465	Closed	N/A.
H.R. 3755	Labor/HHS Appropriations FY 1997	H. Res. 472	Open	N/A.
H.R. 3754	Legislative Branch Appropriations FY 1997	H. Res. 473	Restrictive	3D; 5R.
H.R. 3396	Defense of Marriage Act	H. Res. 474	Restrictive	2D.
H.R. 3756	Treasury, Postal Appropriations, FY 1997	H. Res. 475	Open	N/A.
H.R. 3814	Commerce, Justice, State Appropriations, FY 1997	H. Res. 479	Open	N/A.
H.R. 3820	Campaign Finance Reform Act of 1996	H. Res. 481	Restrictive	1D.
H.R. 3734	The Personal Responsibility Act of 1996	H. Res. 482	Restrictive	1D; 1R.
H.R. 3816	Energy and Water Appropriations, FY 1997	H. Res. 483	Open	N/A.
H.R. 2391	Working Families Flexibility Act of 1996	H. Res. 488	Restrictive	N/A.

*Contract Bills, 67% restrictive; 33% open. All legislation 1st Session, 53% restrictive; 47% open. *** All legislation 2d Session, 60% restrictive; 40% open. All legislation 104th Congress, 56% restrictive; 44% open. ***** NR indicates that the legislation being considered by the House for amendment has circumvented standard procedure and was never reported from any House committee. PQ Indicates that previous question was ordered on the resolution. Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to the rule of H.R. 3820. This bill was originally reported out of the Rules Committee without any recommendation.

H.R. 3820 is a bad bill. Instead of improving the campaign election process, it makes the current situation worse by increasing the amount of money, particularly special interest money, in the system. The average American gives about $200 to a Federal campaign so it is clear that provisions of this bill that increase the caps on donations to candidates and to political parties is designed to favor wealthy individuals and not the average citizen.

H.R. 3820 should be sent back to the House Oversight Committee and the House Economic and Educational Opportunities Committee for further review. I urge my colleagues to vote against the rule on H.R. 3820 and work to pass a real campaign finance reform bill.

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

Mr. SOLOMON. I yield myself such time as I might consume to say, Mr. Speaker, I am a little confused because my good friend, the gentleman from Texas [Mr. FROST] did not offer an amendment in the Committee on Rules to have an open rule. We might have considered that along with all of the other requests. As a matter of fact, I seem to recall that he said that they were going to give us enough votes on the floor to pass this rule to get the bill out of the floor, and that is really why we are here.

I really have not made up my mind how I am going to vote on either the Republican or the Democratic alternative, but the one thing I am going to do, I am going to support the attempt of the gentleman from California [Mr. THOMAS] to try to bring forth a more bipartisan approach on the floor of this House, and that is exactly what my colleagues are going to be voting on when they vote for this rule. They are going to be voting to bring the two bills closer together and give us that kind of an alternative.

So I hope the Members will come over. Whether they are going to vote for the bill or not, I hope they will come over here and support this rule which brings the bill to the floor so that we can have this open and meaningful debate.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the amendment and on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question on the amendment and on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 221, nays 193, not voting 19, as follows:

[Roll No. 361]

YEAS—221

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand

Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff
Zimmer

NAYS—193

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bilbray
Bishop
Blumenauer
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hefner
Hilliard
Hinchey
Holden
Horn
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roberts
Roemer
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Smith (WA)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NOT VOTING—19

Coleman
Collins (IL)
Flake
Forbes
Ford
Hastings (FL)
Hayes
Kaptur
Kasich
Lincoln
Markey
McDade
Pelosi
Peterson (FL)
Rose
Roth
Smith (NJ)
Tanner
Young (FL)

□ 1301

Messrs. JEFFERSON, JOHNSTON of Florida, and ROBERTS changed their vote from ''yea'' to ''nay.''

Messrs. LATHAM, FLANAGAN, HANSEN, BUNN of Oregon, FRISA, and KING, Mrs. ROUKEMA, and Mr. BEREUTER changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. UPTON). The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HOKE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 270, nays 140, not voting 23, as follows:

[Roll No. 362]

YEAS—270

Abercrombie
Ackerman
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Becerra
Berman
Bevill
Bilirakis
Bishop
Bliley
Blumenauer
Boehner
Bonior
Borski
Brown (CA)
Brown (FL)
Bryant (TN)
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chambliss
Chenoweth
Christensen
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cramer
Crapo
Cremeans
Cubin
Cummings
Danner
de la Garza
Deal
DeLauro
DeLay
Dicks
Dooley
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Flake
Foglietta
Fowler
Frank (MA)
Franks (CT)
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gilchrest
Gonzalez
Goodlatte
Gordon
Goss
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hancock
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hinchey
Hobson
Hoekstra
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lofgren
Lowey
Lucas
Maloney
Manzullo
Mascara
Matsui
McCarthy
McCrery
McDermott
McHugh
McInnis
McIntosh
McKeon
McKinney
Meek
Menendez
Meyers
Mica
Millender-McDonald
Miller (FL)
Minge
Moakley
Molinari
Montgomery
Moorhead
Moran
Morella
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Olver
Ortiz
Owens
Oxley
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Petri
Pombo
Pomeroy
Porter
Pryce
Radanovich
Reed
Regula
Richardson
Riggs
Rivers
Roemer
Rogers
Rohrabacher
Royce
Rush
Sabo
Salmon
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Slaughter
Smith (MI)
Smith (TX)
Solomon
Souder
Spence
Spratt
Stark
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Torres
Towns
Upton
Vucanovich
Walker
Wamp
Ward
Watts (OK)
Waxman
Weldon (PA)
Weller
Whitfield
Wicker
Williams
Wise
Woolsey
Yates
Zeliff

NAYS—140

Andrews
Baesler
Baldacci
Bass
Bateman
Beilenson
Bentsen
Bereuter
Bilbray
Blute
Boehlert
Bonilla
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bunn
Burton
Chabot
Chapman
Clay
Clyburn
Collins (MI)
Condit
Conyers
Costello
Coyne
Crane
Cunningham
Davis
DeFazio
Dellums
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Doggett
Doolittle
English
Ensign
Eshoo
Filner
Flanagan
Foley
Fox
Franks (NJ)
Frelinghuysen
Frisa
Geren
Gibbons
Gillmor
Gilman
Goodling
Graham
Hall (TX)
Hansen
Hefner
Hilliard
Hoke
Holden
Horn
Inglis
Jackson (IL)
Jacobs
Johnson, Sam
Kanjorski
Kaptur
King
Klink
Klug
LaFalce
Lantos
Leach
Lewis (CA)
Lipinski
Livingston
LoBiondo
Longley
Luther
Manton
Martinez
Martini
McCollum
McHale
McNulty
Meehan
Metcalf
Miller (CA)
Mink
Mollohan
Murtha
Myers
Neal
Obey
Orton
Packard
Payne (NJ)
Peterson (MN)
Pickett
Portman
Poshard
Quillen
Quinn
Rahall
Ramstad
Rangel
Roberts
Ros-Lehtinen
Roukema
Roybal-Allard
Sanders
Sanford
Schroeder
Schumer
Serrano
Shays
Skeen
Skelton
Smith (WA)
Stearns
Stenholm
Thompson
Tiahrt
Torkildsen
Traficant
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt (NC)
Weldon (FL)
White
Wilson
Wolf
Wynn
Young (AK)
Zimmer

NOT VOTING—23

Bono
Bryant (TX)
Chrysler
Coleman
Collins (IL)
Cox
Dornan
Forbes
Ford
Hastings (FL)
Hayes
Kasich
Lincoln
Markey
McDade
Peterson (FL)
Rose
Roth
Smith (NJ)
Tanner
Torricelli
Walsh
Young (FL)

□ 1310

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 481 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3820.

□ 1311

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the union for the consideration of the bill (H.R. 3820) to amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes, with Mr. INGLIS of South Carolina in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from California [Mr. THOMAS] and the gentleman from California [Mr. FAZIO] each will control 30 minutes.

The Chair recognizes the gentleman from California [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, I yield myself 9 minutes.

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

Mr. THOMAS. Mr. Chairman, this is an important day. There were a number of people who never thought it would come about. The argument that the House simply cannot address reform of its own rules, many said, would lead us not to this day.

Notwithstanding whatever occurred over in the Senate, we have in front of us two reform pieces of legislation with the opportunity for the minority, on the motion to recommit, to offer some variation that they choose to offer.

No one doubts that the job in front of us is a difficult one. As we heard on the rule, there are any number of Members who would like to offer a substitute. As a matter of fact, if we had an open rule, there would probably be 435 different reform procedures, which means everyone could find a home and there would not be a majority to try to bring about change.

What we have here are clearly two different approaches to reform: First of all, let me say that I want to commend the gentleman from California [Mr. FAZIO] and his staff, and I want to commend the majority on our side of the aisle on the Committee on House Oversight and out staff.

Trying to put together a package which meets the various needs of the Members even required an amendment to the rule. I do not think anyone should criticize that process. I think people sent us here to get it right. If it requires adjustments right up to the time that we discuss the bill, it is better to do that than to lock in stone some position which may not afford us an opportunity to move forward.

□ 1315

What we are trying to do today is move forward. I am very pleased that in both bills there are a significant number of common reforms. In the longest and most extensive hearings on campaign finance reform since the law was passed, we heard from a number of different witnesses. No two witnesses stressed the same theme more than the chairman of the Democratic National Committee, Don Fowler, and the chairman of the Republican national committee, Haley Barbour, when they sat side-by-side and talked about the perhaps good intentions of the reformers in the 1970's but the very serious unforeseen consequences of the law over the last 20 years on the question of political parties.

In both bills today, we see very positive reform in the area of political parties, expanded opportunities to participate in the system, fewer restrictions in trying to support the issues and the candidates that the parties put forward. As a matter of fact, one of America's foremost experts on political parties, Professor Larry Sabato, who has also coauthored a book entitled ''Dirty Little Secrets,'' about the way money flows in Washington, said this about our bill, but it extends to a certain extent to the Democrats' provisions about political parties, as well. He says, ''No title is as welcome as strengthening political parties.'' He says, ''The parties are essential, stabilizing institutions in an increasingly chaotic political environment. In our society's self-interest, they deserve to be bolstered in every reasonable way.'' He says, ''I enthusiastically support the provision on party reform.''

Also, I think a number of cynics say that we, since we are incumbents, cannot reform ourselves. I think it is important to note that in both bills, both the Republican and the Democratic bill, we ban leadership PAC's, just 1 day after one of our local newspapers ran an article about how through leadership PAC's Members of Congress are raising significant new, and in fact record, amounts of money. No one can say we are not interested in reform if we are in fact denying this kind of a structure. Banning leadership PAC's is in the Republican bill, and it is in the Democrat bill.

There are additional disclosure requirements, and we will go into some of the differences, but fundamentally both bills tighten up in the area of disclosure. However, Mr. Chairman, there are obviously fundamental differences, and the fundamental differences in the bill center around the way in which the Democrats and the Republicans choose to use government, the role of government and the use of government.

In the minority's bill, they use government to control and limit. In our bill, we use government to empower individuals. For example, in the Farr bill, there are a very confusing set of dollar amounts which are used to determine how one can participate in the political game. One can spend $600,000 in the primary and the general, but you have got to have a set amount from individuals over a set amount of dollars. If in fact you are in a close primary; that is, a primary within 20 points of your opponent, then there are new rules that apply. If you are in a run-off, there are additional rules. It is a very complicated attempt to use government to limit participation in the system.

On the other hand, we have a new approach. It is a novel approach. As a matter of fact, David Broder in The Washington Post said it may point the way to the future. It essentially reverses the traditional definition of reform. It may offer a way out of the maze. The Cleveland Plain Dealer said it comports rather well with political and constitutional realities and it is worth a try.

What we do is empower individuals. We say that the control on the amount of money spent in elections is in the hands of the people back home, local control of campaign finances. A number of our colleagues who have not yet fully appreciated the radicalness of this procedure say there are no limits at all. Pretty obviously when they are used to staying in Washington and raising money, they are not excited about having the people back home determine how much money they can spend. We hear criticisms of the system that we have to spend time in New York or in Dallas or in Hollywood raising money and we are away from our basic job of representing our constituents.

Well, folks, with the new position, the new thinking, the Republican bill, you get to go back home more often than not because you are required to raise a majority of your money back home. If that was a problem under the current system, we have changed it.

A number of folks have said special interest control, that in fact the problem is the corruption or at least the appearance of corruption with special interest money putting in a majority of money in a number of campaigns. Folks, we fix that. A majority of money has to come from individuals who live in the district. We empower the people back home.

In addition, we weaken incumbents by allowing parties to offset the incumbent carryover. This is a relatively radical idea. There have been suggestions to ban carryover, but we are the biggest sharks in the water as soon as the bell rings. What we have said is empower political parties to offset incumbent advantages.

But the biggest and the best device to control incumbents is to tell them they have to go back home and get a majority of money from people who live in the district because in Washington, we have a monopoly on attention. In any other major city, we have a monopoly on attention. When we go back to the district, we have to share our incumbency with the other candidates. We do not have the privilege of exclusivity back home. It is the most radical, the best method of controlling incumbents. When people say we do not have a limit, no, we do not use Government to control, we do not impose a one-size-fits-all limit. What we do do is empower people back home. When a majority of people in your district have

said you have spent enough, you have spent enough. Empowering people back home is a radical, positive change in campaign finance reform.

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

Mr. FAZIO of California. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, let me begin by indicating that we have enjoyed working with the majority on this issue. It is never easy to deal with the issues of great interests of Members and it is always more difficult to try to set the tone to in fact lead, than to critique. We in the Democratic Party have experienced that for a number of years.

It has become obvious to most Americans that there is far too much money in politics today, giving wealthy special interests far too much influence in the election campaigns and decreasing the voice of every-day working Americans in their own government.

Fearful of the effect of big money in our political system, the Democrats have for years been fighting for changes in the campaign finance laws; however, each time reform legislation has passed this House, it has been ultimately rebuffed, either by President Bush's veto or by more recent series of Republican-led filibusters in the Senate.

Having for so long resisted Democratic efforts to limit campaign spending, the new majority recently offered its plan for changing our political system, and what was that plan of the Republican leadership? Put most plainly, the majority's so-called campaign reform was to vastly increase the role of money in politics by enormously increasing all contribution limits. They sought to ensure that those interests with the greatest wealth would be permitted to contribute even greater sums into the campaign process as if the wealthiest in our society did not already wield enough influence in our politics.

Indeed, under the majority's bill, a single individual could have contributed up to $3.1 million to candidates and political parties; that is, $3.1 million from one person. Put another way, under the Republican proposal initially proposed, a family of four could have contributed nearly $12.5 million per election cycle. It is a breathtaking sum and more than 125 times the amount permitted under current law.

Perhaps this is their version of a family's first agenda, but it is hardly the change the American people are seeking. While the political parties may need strengthening, the majority's bill went to extremes in this regard as well, permitting the party to raise obscene sums of money from special interests that then in turn funnel unlimited, yes, and I mean fully unlimited, amounts of that money back into the campaign system, creating what the New York Times called a new class of super donors. What a very Republican idea that is.

Of course the inevitable result of allowing the political parties to raise and spend unlimited amounts of money is to further centralize political power and political wealth here in Washington, DC. This is hardly returning power to the average voter or reducing the influence of special interests.

But as word got out about what the majority wanted to do, Americans of all sorts were appalled at this effort to increase the influence of the rich and the powerful. Public interest groups, newspaper editorials, concerned Democrats, even some reform-minded Republicans fought to stop this abomination from becoming law, and now thanks to these efforts the Republican leadership has offered an amended version of the bill.

But they still do not get it. There is too much money with too much influence in our political system and regrettably the majority's bill does absolutely nothing to fix the problem.

The Democratic approach to campaign finance reform differs dramatically from the bill put forth by the Republican leadership. Put most plainly, we believe that our political system will not be effectively reformed until the role of big money is reduced and the influence of special interests decline. Our substitute bill is an effort to achieve that goal and to bring some sanity back to our campaign system. Our bill is designed to reduce the cost of campaigns by establishing voluntary spending limits, and the Democratic bill would require candidates to rely much more upon small contributions from those givers who donate $200 or less to campaigns.

Unlike the majority's bill, the Democratic proposal would also reform the soft money system by eliminating virtually all such contributions to political parties. Our approach to campaign finance reform is realistic. It is balanced, and it is achievable. Through these measures, we hope to limit the influence of money in our politics and restore the influence of ordinary working Americans in their government.

Mr. Chairman, I strongly urge all my colleagues to vote against H.R. 3820 and to vote for H.R. 3505, the Democratic substitute.

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

Mr. THOMAS. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. WAMP], a freshman who has had as much influence in redirecting campaign finance reform as any Member of the House.

Mr. WAMP. Mr. Chairman, I thank the chairman for yielding me the time, but more importantly for his leadership on this issue.

As a member of the Speaker's task force on reform, I have worked with many others tirelessly on this effort for many months. But Chairman THOMAS has been working on this effort for many years. Unlike other senior Members, some other senior Members of this body, he has pursued reform on campaign finance for year after year, and I commend him for this responsibility and balanced approach.

Mr. Chairman, I am 1 of only 22 Members of this body that refuses to accept any PAC money, so I really come to this argument with a desire to eliminate political action committees. As a matter of fact, I testified last week before the Committee on Rules and asked for an amendment that would ban political action committee contributions and force the Supreme Court through expedited review to go ahead now and determine should we ban political action committees or can we constitutionally do so and, if we cannot, then let us set a new limit, but let us go ahead and have the Supreme Court determine as soon as possible.

Obviously, that is not going to be done. That is my preference. But I am a reformer, one who refuses to accept the money, and I will tell you that this bill is reform. It is a step in the right direction. It is certainly not totally comprehensive, it is not perfect. Frankly, no bill that I have seen in the last 2 years is perfect, but this is a step in the right direction because it cuts PAC's, special interest political action committee contributions in half.

□ 1330

That is a step in the right direction: disconnecting so much of their influence. It requires a majority of a Member's money to come from individuals in their home district. Another great step in the right direction. Why? Because some Members take the majority of their money from people outside their district. Some stay here in Washington and raise all their money and do not count on the folks back home to tell them what to do and then follow their instructions.

It also leaves the individual limit. The bill that is on the floor today, not a bill that was floating around before, the bill this majority has brought to the floor leaves the individual limit at a thousand dollars, but it indexes it into the future because it is set for 22 years at $1,000. The cost of money has changed in the last 22 years, so it should be indexed into the future, not retroactively. This bill indexes it prospectively.

It is a commnsense solution, and it is real reform. Every Member of this body should support this reasonable approach that took many months and a roller coaster ride to arrive at.

I want to say this in closing, Mr. Chairman. The gauntlet should go down today. This issue must be addressed early in 1997 by the next Congress, regardless of this fall's elections. For the good of this country, do not put this issue off until the second year in the 105th Congress. Do not put this issue off until late in a cycle. Address it early, address it in a bipartisan way.

We have to do it, and we need to send more Members to this institution that will say no to political action committees from both parties. Let us address this in a bipartisan way.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia [Ms. MCKINNEY].

Ms. MCKINNEY. Mr. Chairman, I rise today in strong support of real campaign finance reform. I rise, however, in opposition to the sorry excuse that the Republicans are offering today.

Had it not been for the Democrats, the Republican bill would still allow individuals to contribute up to $3.1 million a year. And while that provision was revised, the Republicans actually increase the influence of soft-money contributions.

The Democratic substitute, on the other hand, reduces this influence and requires a spending limit of $600,000. The Republican bill still allows unlimited campaign spending.

In short, Mr. Chairman, the Democratic substitute offers real reform while the born-again Republican bill increases the role of big money in politics.

Once again, Mr. Chairman, the Republican Party has demonstrated its desire to perfect the art of cash-and-carry government.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER], my good friend and another member of the Committee on House Oversight.

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

Mr. HOYER. Mr. Chairman, I thank the ranking member for yielding me this time.

Mr. Chairman, I rise in strong opposition to this bill. Since the President and Speaker GINGRICH shook hands, the American people have been expecting progress on campaign finance reform. The public will be bitterly disappointed if this bill passes, even with the improvements made by the rule, because it fails it fails, it fails to deliver true reform.

Mr. Chairman, I want to focus on an issue which the chairman speaks to, empowering the people of my district. I tell my friend from California, I presume, like me, 100 percent of those who will elect me live in my district. They are empowered. They have the right to make a decision. But I, like the gentleman from California, am very cognizant of the demographics of my district and every district in America and the spread between Republicans and Democrats.

We do not have to have a very expensive poll or focus group to find out that the wealthier folks in most districts in America tend to be Republicans. Not absolutely. And, in fact, from my perspective, I have raised to this point in time much more in district, both in terms of percentage of givers—over 50 percent of the givers—and in percentage of money, than my opponent has in my district. So this will not adversely affect me.

I say to my friend, if one wanted to be cynical, one would say, if we were going to devise a system that advantages the wealthy and the powerful in America, then limit fund raising in districts so that the wealthy and powerful in every district will have the advantage. I say to my friends, that this is not reform, this is elitism disguised as reform.

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute.

What we just heard was an example of a failure to really understand how radical this new idea is, because the gentleman failed to make one particular connection, and that is the end in politics are votes, not money. Money is the name of the means. If in fact we are in the district talking to people, we are in fact going toward the end. If we are in New York, outside our district, that is the means: money. If we are in Hollywood, that is the means: money. When we are in our district, we are working toward the end. Time is money.

It is a radical change. It will take time for some Members, who are so focused on money, to appreciate that we can actually get elected without it. It is called hard work. It is called organization. It is time we put the common man back in the picture working to elect someone without looking at dollars. Majority in district empowers people, not big bucks.

Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOEKSTRA], the chairman of the reform task force.

Mr. HOEKSTRA. Mr. Chairman, I thank my colleague from California for yielding me this time and compliment him on the fantastic work he has done to bring this bill to the floor.

As a Member of Congress and someone who got out and spent somewhere in the neighborhood of 15 to 1 or 20 to 1 in my first election in a primary, I come to this debate with a different background than many of my colleagues. Also serving in my second term, I think it is important for us to take a look at the way things used to be in the House of Representatives.

Let us talk about that, It took the new majority to apply all laws that apply to the private sector and make them apply to Congress. It was the new majority that took the bold step that banned gifts. It was the new majority that conducted the first-ever audit of House finances. It was the new majority that passed comprehensive lobby reform. It was the new majority that held the first ever vote on term limits for Members of Congress. It was the new majority that passed a balanced budget amendment to the Constitution. We set term limits for the Speaker. We set term limits for committee chairs.

So for the record, as we go through this debate today, we do not need lectures from the other side of the aisle on reform. We have spent the last 18 months cleaning up after them.

As for some of the other participants that have been critical of this effort at reform, Common Cause, it is interesting. They created the current campaign finance system. Now they want to experiment with public funding, more big government, more big bureaucracy, moving decision-making away from the people and moving it to Washington. Their proposal is based on the myth of the magical Washington bureaucracy. We do not need lectures on how to reform a broken campaign finance system from the same group that gave us this system in the first place.

This is a solid campaign finance bill. It has been a frustrating process. It has been a tough process. As we have watched through the debate, it is much easier to demagog this process than it is to get something done, but we have gotten things done. We have moved decisionmaking back to the people in the district. We have reduced the influence of political action committees. We have put in measures to help those challengers who are running against well-entrenched incumbents. We have put in measures to address those candidates who are running millionaire campaign financed issues. This is real progress. This is change from the way that Washington has been doing business.

Republicans are bringing this forward. Republicans are bringing forward this change. We are continuing the process that we have been working on for 18 months. This is really one step in a long process that we are going to continue.

Mr. FAZIO of California. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, I want to thank the ranking member for yielding me this time. As I indicated on the rule, I regret we are not afforded an opportunity for more bipartisanship in presenting campaign finance reform. But the Republican bill, to me, moves backward and should be rejected by this House.

We looked at the objective of campaign finance reform, and what our primary objective should be is to reduce the cost of campaigns. Between 1980 and 1994, we have seen a doubling of the cost of campaigns in House races. The average winning seat went from $178,000 to $530,000. In 1980, 28 candidates spent over $500,000. By 1994 that number grew to 272 candidates. In 1980, two candidates spent over $1 million in their races. By 1994, that grew to over 45 races of over $1 million.

So one of our primary objectives should be to reduce the cost of campaigns and the need to raise special interest funds. The Republican bill moves in the opposite direction. It moves toward spending more money in campaigns. There is no voluntary campaign limit at all in the Republican bill. It continues and expands the use of soft money.

Now, soft money can come from corporate sources, can come from large, wealthy donors. It goes to our political parties. This bill, the Republican bill, makes it easier for those funds to end up influencing our individual campaigns by relaxing the restrictions on

the use of soft money. We should be moving in the opposite direction.

That is why Common Cause said that any Member, and I am quoting, any Member of Congress that votes for H.R. 3820 is giving a personal blessing and a personal stamp of approval to the corrupt soft money system.

The gentleman from California [Mr. THOMAS], my friend, indicates this is empowering the people within our district because we encourage contributions from our district. But Mr. THOMAS did not explain that there are many loopholes to that use of local money. We do not count the person's individual contribution. We do not count the political party's contribution.

We are seeing more and more parties from outside of our State contributing to our local congressional campaigns. Those funds are not counted as far as local funds are concerned. So it is not empowering the people in our district.

Also a wealthy person who contributes a thousand is treated the same as someone who does not. And again that is why Common Cause in its reason for opposing this bill said that any Member of Congress who votes for H.R. 3820 is speaking out for more access and influence in the political system for the wealthiest people in America and less for average American wage earners.

Make no mistake about it, look at all of the public interest of outside public groups that are opposing this bill: Common Cause, Public Citizen, U.S. PIRG, League of Women Voters. There is reason for that. We have an alternative. Vote for the Democratic substitute offered by the gentleman from California [Mr. FARR]. It will give us true campaign reform.

Mr. FAZIO of California. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. MARTINEZ], a member of the Committee on Economic and Educational Opportunities.

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

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

Mr. Chairman, I rise in opposition to H.R. 3820, campaign finance reform legislation. Not because I'm against campaign finance reform, but because this is not reform.

The thrust of any reform must be to return the political process to the people on the local level, taking it out of the hands of special interests. The bill the majority is offering does not do that.

Mr. Chairman, in my humble opinion, it is merely a half-hearted attempt by the leadership to fulfill a promise to its Members that this issue would be brought before the House.

But, Mr. Chairman, to me what is even more objectionable about this legislation is the fact that yet another measure, which has seen very little committee action, is coming before this body.

Mr. Chairman, the so-called Worker Right to Know Act, which seeks to limit the access of a particular group of Americans to the political process, has been attached to this bill, adding another reason for the President to veto it.

Mr. Chairman, the so-called Worker Right to Know Act was never marked up by the Employer-Employee Relations Subcommittee nor the full Committee on Economic and Educational Opportunities to which it was referred.

And yet it is here. It doesn't surprise us. It's par for the course for the 104th Congress—as irrelevant as authorizing has become, the next step will be abolishment. Maybe that's appropriate since we move bills to the floor without markup.

Mr. Chairman, moving this bill into the Campaign Reform Act, after two hearings that in my opinion revealed that the legislation is not justified, is simply a political effort to attack a group they disagree with. In defense of it, one of my colleagues suggests that it is to enforce the Beck decision. Mr. Chairman, this Department of Labor has been enforcing the Beck decision. But regardless of that, Mr. Chairman, Members on the other side of the aisle have become so worried about the increased effort of organized labor to educate Americans about the antiworker, antifamily, antichild 104th Congress that through this so-called Worker Protection Act, they are seeking to stifle that effort.

Mr. Chairman, this is not the way to practice democracy.

Mr. Chairman, we all know that protections already exist for workers.

Workers can object to the use of their union dues for purposes other than bargaining, they can request a refund of the portion of their dues that are spent on these activities, and file a complaint with the National Labor Relations Board if they disagree with the amount that is returned to them.

In contrast to that, the outrage of some Members about the AFL–CIO's mobilization is almost comical when you consider that the AFL will still be far outspent by the Republicans' business allies.

In fact, the National Association of Manufacturers, in a recent newsletter, solicited donations from its members for a similar voter education effort being orchestrated by a business affiliation known as the coalition.

The NAM has gone so far as to propose that each business member donate what would amount to $1.80 per employee to present the other side. And Mr. Chairman, despite the fact that corporate expenditures on the political process greatly exceed those of organized labor, no one bothers to address the fact that corporations regularly use stockholder money for political purposes with which those investors may disagree. Yet I see no one offering legislation to force corporations to disclose to the stockholder their political expenditures. This legislation itself—as a whole—is so objectionable that it must have been drafted to guarantee its defeat.

I urge my colleagues to vote against the legislation.

□ 1345

Mr. THOMAS. Mr. Chairman, I yield 3 minutes and 30 seconds to the gentleman from Ohio [Mr. BOEHNER], chairman of the Republican Conference, a member of the Committee on Government Reform and Oversight.

Mr. BOEHNER. Mr. Chairman, I thank my colleague, the gentleman from California [Mr. THOMAS], for granting me the time and for his work on this very important legislation.

I also would like to congratulate my colleagues on both sides of the aisle on the Committee on House Oversight, who have spent an awful lot of time putting this together, and my colleagues on the Committee on Economic and Educational Opportunities, who have a section of this bill.

One thing that we have all learned over the last couple of years is that the 435 Members of the House each has their own idea about how to change the campaign finance system we have in America. One of the most difficult things that I have seen in the 5½ years that I have been here is the difficulty that leadership has had on each side of the aisle in trying to bring enough consensus around any kind of a bill and bring it to this floor and to get it passed.

I think that the bill that Mr. THOMAS and our committee brings to the floor today is a sincere, honest attempt at trying to reform the system, albeit in a different way than the Washington establishment has wanted to do for some time.

Yes, it is true, we do not have more bureaucracy. We do not have phony limits. We do not try to create a bureaucracy to try to control campaign spending from here in Washington. Our version says, let us let the people in each district around America decide because by requiring Members and candidates to raise half of their money for a campaign from their own congressional district, it is their contributors, their constituents who will determine in effect how much money is spent in those campaigns.

The fact that it reduces the influence of PAC's by cutting the maximum PAC contribution in half, I think, further allows the people of these local districts to make the decision about how much is going to be spent there.

But there is another very important part of this bill. That is, the last section that is the worker's right to know. What we are trying to do here is empower workers in America to have more control. Over what? Over their hard-earned money that they pay to unions around this country.

There is not an American that has not seen some radical ad being sponsored by the AFL–CIO and others attacking freshmen and Republican

Members. They have been all over the country. They are going to spend, according to a professor who came and gave testimony in our committee, $300 to $400 million in this cycle trying to influence elections. Yet all of the money virtually is being spent on one side of the political aisle. It is not on the Republican side.

Forty percent of union members around America vote for Republican candidates. This money, their money is being spent against their will. We believe that what we ought to do is to empower those workers by doing just two simple things: Requiring unions to tell their employers just how much of their union dues is actually used for representational costs. So it requires the unions to tell their Members just how much of their dues are used for representational costs.

The second thing that this section of the bill does, very simply, is to empower the worker to decide whether any money that he pays in dues, he or she pays in dues over the representational costs, can be used for other political activities.

Now, at a time when we are trying to do more to empower workers, to encourage teamwork in America, I think this is a very modest proposal to help working men and working women in terms of using their hard-earned money for the purposes that they see fit.

The CHAIRMAN. The Chair would advise the Members that the gentleman from California [Mr. THOMAS] has 10¾ minutes remaining, and the gentleman from California [Mr. FAZIO] has 16½ minutes remaining.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in opposition to the phony campaign finance reform that is represented by the Thomas bill. The campaign finance reform bill offered by the Republican majority continues a pattern that goes back to their earliest days of running this House. Promises made and promises broken. They promised real reform in Washington, but instead they offer legislation to make a bad system worse.

The GOP legislation does nothing to limit campaign spending in congressional raises. Elections will continue to be contests of bank accounts and not of ideas. Public Citizen, Common Cause, other public interest groups have called the Thomas bill a fraud.

Business Week magazine, not exactly a liberal publication, commented on freshman Republicans earlier this year. They said, and I quote, although they stormed Capitol Hill promising to shake up the political establishment, the Republican class of 1994 has embraced one time-honored Washington tradition all too well, shaking the special money interest tree.

The American people truly want an end to business as usual in Washington. They deserve real reform of our campaign system. We have an opportunity to pass an honest campaign finance reform bill today, a bill that will enhance the ability of average Americans to participate in the electoral process and diminish the influence of special interests.

The Democratic alternative gives us the chance to pass real reform to limit the influence of big money. It limits spending for each congressional campaign to $600,000. It limits PAC contributions. It limits total contributions from large donors. It limits each candidate's use of personal money. It eliminates soft money.

These limits are reasonable, and they are, in fact, long overdue.

Mr. Chairman, I call on my colleagues to defeat the Gingrich-Thomas big-money bill and vote for the Farr Democratic substitute.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I thank my friend for yielding the time.

This bill should not be called the campaign finance reform bill. I have some better names for it. It should be called the wealthy country club set control of American politics bill. How about the fat cat influence on American politics bill? How about the rich and incumbent protection Republican campaign bill? That is all this is doing. This is giving special interests an even larger say in campaigns. But at least our Republican friends are consistent.

They have spent the past 2 years trying to decimate Medicare and give huge tax breaks for the rich. This is just a continuation of that pattern. Let us continue to give breaks for the rich. Let them control politics. Let them have more influence in politics.

Speaker GINGRICH said, there is not enough money in politics right now. We ought to have more money in politics. This is exactly the opposite direction that we ought to be going toward.

The Republican bill imposes no limits on how much can be spent in a campaign, allowing the influence of special interest money to continue to dominate the political system. The Republican bill increases the importance of soft money in campaigns; thereby increasing the role of special interests in their party.

The Republican bill imposes huge costs and administrative burdens on labor unions; again, a consistent Republican pattern these past 2 years of punishing working men and women in this country, punishing labor unions for speaking out, for daring to speak out against the Republican extremist agenda.

This is a highly partisan bill which is designed to create an unfair advantage to the Republican Party and their wealthy donors. The only way we can have real campaign finance reform in this Congress or any Congress is to have a bipartisan bill. We ought to do that.

The Democratic bill attempts to limit big money. It attempts to put the amount of money that a candidate can spend on a campaign to have a cap. This is the only way we are going to eliminate special interests.

The big problem to our democracy, in my opinion, is that it costs so much to run a campaign, only the very wealthy can run campaigns. Is this what we want in this country, where the very wealthy can control campaigns and run?

This goes in the wrong direction. The Republican bill ought to be defeated.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CALVERT].

Mr. CALVERT. Mr. Chairman, I would like to thank my good friend from California for shepherding this important piece of legislation through the House.

In the last Congress I was privileged to be a member of the Task Force on Campaign Finance Reform.

One provision I fought for in particular was that 51 percent of total contributions come from within a candidate's congressional district.

This creates stronger ties to a Member's constituents and will help reduce the influence of narrow special interests. No longer will this House operate under the image that we are beholden to PAC's or individuals based thousands of miles from the people we represent.

In my past two elections I have promised to raise a majority of my money from within my district. Indeed, I have raised an average of over 60 percent of my funds from the people of the 43d District of California.

Not only does this indicate my support from my constituents, but more importantly it allows me to better represent their views.

They are the citizens who have made my congressional career possible. They are the people whom I represent.

Mr. FAZIO of California. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MEEHAN], a real leader in our caucus on campaign finance reform and a leader of the bipartisan effort.

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

Mr. MEEHAN. Mr. Chairman, you have to sit back and ask yourself, why in the world would the Republican Party submit this kind of proposal. It has been condemned by every public interest group that has been fighting for campaign finance reform in America.

Condemned by Common Cause, condemned by Public Citizen, United We Stand, every group in America who is trying to change the way Congress does business through reforming the campaign finance laws is against this proposal. Why in the world would they come forward with such a proposal that they may not even get the votes for?

Well, it comes right from the top. That is where it comes from. Because

when the Speaker of the House, if you look at this chart, NEWT GINGRICH, testified before the House Committee on Government Reform and Oversight on November 2, he made the preposterous statement that, One of the greatest myths of modern politics is that campaigns are too expensive. The political process in fact is underfunded. It is not overfunded.

That is what the top, the Speaker, said. When he was asked to testify on how to reform a system that everyone agrees needs to be reformed, a system that everyone agrees there is too much money involved, that is what the Speaker said.

□ 1400

So what happened after that? The Speaker got together with Republican leadership, and they came in with a proposal that increases the influence of special interest money. Americans who have been fighting for campaign finance reform all over this country recognize this bill for what it is, and that is a sham. It is nothing but a sham.

Now why in the world would Republicans go along with a bill that codifies the soft money loophole in the Federal election law? This legislation will allow special interests to continue setting the Republican agenda without restriction, and all we have to do is look at the headlines across this country under this Congress. Last year the Republicans raised more than $33 million in unrelated soft money contributions; 82 percent of these contributions came from businesses, 17 percent came from individuals, and less than 1 percent came from labor unions and single donors.

Now who are at the top of the Republican donors by industry? It should be a surprise to no one that the tobacco companies, big tobacco, donated a whopping $2.4 million in 1995; securities and investments, insurance, gas, the pharmaceuticals, the telephone utilities, telecommunications reform; all of them rank within the top 10 of donors to the Republican Party.

This should not be a surprise as to why we have a bill that increases the influence that these special interests will pay. They will pay, and they will play, due to the increase in money because they are the ones. The Republicans are setting the agenda.

Now two of the top individual contributors to the Republican Party: Philip Morris and R.J. Nabisco. No wonder the Republicans are adamantly opposed to regulating tobacco companies.

This bill is a sham.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN].

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

Mr. PORTMAN. Mr. Chairman, I thank the gentleman from California for the time.

Mr. Chairman, I have to tell my colleagues it is tough as incumbents to change the rules that affect us. That is why campaign finance reform is always a hard thing to do. It is also tough because it is complicated; we have unintended consequences, as we did after the 1974 post-Watergate reforms. We now have PAC's that I think are more of a problem than a solution.

But the gentleman from California [Mr. THOMAS] has done a good job. He has taken a very tough problem, and he is tried to make a difference, and he has, and I commend him for it. I hear my colleagues going on and on about how terrible this bill is, and how it does not help this and does not help that.

As my colleagues know, I do not take PAC money. I raised almost all the money in my district. This is not perfect. I would like to see a total PAC ban. This is a great step forward. That is the point. We make incremental steps around here. Maybe next year we will do even better.

What is good about this bill? It bans leadership PAC's. Who is not for banning leadership PAC's, raise their hand. I mean over there. It is a good thing. It is a good thing we are doing. It eliminates bundling by PAC's and lobbyists. It requires candidates to raise a majority of funds in their own districts.

I heard someone earlier saying that is not a good provision. I am not sure why they said it. I mean that is true for everybody. It is going to be true for every candidate. They have to raise the majority of funds in their own districts so their own voters, not the special interests, the people who they are really accountable to, their voters, have more of a say.

Political parties, look at this chart. Despite what the last speaker said, it turns out that the chairman of the Democratic Party also feels that the great organizers of democracy, our political parties, ought to play a bigger role.

They can scream they are the people in this country who do not have a special interest. They have a political interest which is the party's, Republican and Democrat. And yes, we should increase, I think, and strengthen their role in the political process and get this special interest influence that is undue, that is too great, out of the process.

So I do not know what the last speaker was talking about. He should talk to his own chairman of the Democrat National Party, who seems to agree with us on this.

Finally, it does something incredible about the war chest that people can build up, the insurance policy, essentially roll over year to year. It actually discourages people from building up these war chests. That is anti-incumbent. I think there are two major purposes to campaign finance reform, cutting down on the special interests influences, first; and second, taking away the tremendous advantage that incumbents have, and that is precisely what this legislation does.

Again it is a tremendous first step, and I support it. I will say I would like to see a total PAC ban. I think we are not really going to get to the root of the problem in terms of special interests until we have a total ban. But at least we take 50 percent of the PAC money away.

More than half the money now in House elections is PAC money. It goes mostly to incumbents, of course. It is a problem in a system. We take it away, 50 percent of it away. That is a vast improvement of the current system.

I would urge my colleagues to support this legislation.

Mr. Chairman, I rise today in support of the Thomas bill, a bill that represents a good—and long overdue—first step in giving our elections back to the voters. The bill we are considering on the House floor today takes some very important steps toward reducing the advantages enjoyed by incumbents and the undue influence of special interests.

This bill bans leadership PAC's; eliminates bundling by PAC's and lobbyists; requires candidates to raise a majority of their campaign funds from their own district; and bans non-Federal money from Federal elections. These are all positive steps. I am also pleased that the Solomon amendment codifies the worker right-to-know provisions that were set forth in the recent U.S. Supreme Court decision in Beck. I also agree with the provisions of he new bill that would strengthen political parties. These measures will increase accountability to the voters and make elections a better representation of the people they serve.

Although this bill is a good first step, I am disappointed that it does not ban PAC's. The new bill keeps the individual limit a $1,000 and reduces the PAC limit to $2,500. Adjusting the contribution limits, in my view, is mere tinkering at the edges.

I believe that the only way to reduce both the advantages of incumbents and the undue influence of special interests is to ban Political Action Committees [PAC's].

In my view, it is wrong for corporations, labor unions, or trade associations to use money that would be an illegal contribution if made directly to the campaign for fundraising or administrative subsidies to their PAC's. I believe banning those subsidies or PAC's that receive those subsidies would clearly stand up to any constitutional test. At the very least, we should ban these so-called connected PAC's, which constitute a majority of PAC contributions.

Some have said that a ban on PAC's may be unconstitutional, citing the 1976 Supreme Court case Buckley versus Valeo, which upheld the Federal Election Campaign Act's limitations on contributions. Three points of clarification. First, the Court has never directly considered the issue of whether a PAC ban would be unconstitutional. In fact, there is helpful language in the opinion that says that limits on contributions are reasonable if they stem actual or apparent corruption. Second, there are other forms of association that are recognized under the Federal Election Campaign Act—for example, partnerships. If an individual gives money to a partnership, and the partnership in turn donates the money to candidates, that individual's contribution is attributed to the individual.

This is not the case with PAC contributions. Individuals can give to PAC's and that amount

is not attributed back to them for purposes of their own contribution limits. In essence, I do not believe there is a constitutional right to give an enhanced contribution merely because one affiliates.

For these reasons and the obvious fact that the makeup of the Supreme Court has changed in the 19 years since the Buckley decision, I think it is not at all clear that a total ban on PAC's would be found unconstitutional.

We are all aware of the tremendous growth of PAC's, both in number—from 608 in 1974 to almost 4,000 in 1995—and in influence—PAC contributions now account for more than half of the money in the typical House race.

PAC's also contribute substantially to the advantages incumbents enjoy. According to the Federal Election Commission [FEC], in recent years more than 70 percent of PAC contributions have gone to incumbents. In my own State of Ohio, PAC's supported incumbents over challengers by a margin of 10 to 1 during the past election cycle.

Mr. Chairman, this is a good bill—and I commend Chairman THOMAS on his leadership—but it is just the first step. I hope the next phase of campaign finance reform will ban PAC's altogether—an important step that will make elections more competitive, more fair, and a better reflection of the wishes of our citizens.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FARR].

Mr. FARR of California. Mr. Chairman, I ask my colleagues here on the floor to think about what is going on today, ask themselves what exactly is reform. Less money is certainly reform. More power to small contributors is certainly reform. Preventing rich people from buying public office is certainly reform. Eliminating soft money is certainly reform. Leveling the playing field is certainly reform. Limiting special influence in campaigns is special reform.

Let me tell my colleagues what the President says about this: He says,

> Unfortunately the Republican leadership in the House appears determined to block any legitimate reform. The Republican leadership's bill, unlike your own legislation, would drive campaign financing in the wrong direction. Your bill would control campaign spending. The Republican bill would encourage dramatic increases in spending. Your bill reforms the soft money system. The Republican bill would place a premium on soft money contributions from the very wealthy.

I would like, Mr. Chairman, to enter this letter in the RECORD:

THE WHITE HOUSE,
Washington, July 16, 1996.

Hon. SAM FARR,
House of Representatives,
Washington, DC.

DEAR SAM: I want to commend you for the leadership you have demonstrated on a matter of major concern to the American people—campaign finance reform. The legislation you introduced in the House of Representatives, HR 3505, embodies principles that I believe are key to real campaign finance reform—effective spending limits, soft money reform, PAC reform, and less costly access to our nation's airwaves for political discourse.

Your bill would reduce the influence of the special interests and the wealthy few in the outcome of congressional elections. In addition, HR 3505 would put a check on the out of control spending that plagues the current system.

Although the Senate's recent failure to act on a bipartisan campaign reform bill was a terrible disappointment to the American people, the fight for reform did not end with the Senate's vote. The House of Representatives now has the opportunity to enact real campaign finance reform.

Unfortunately, the Republican leadership in the House appears determined to block any legitimate reform. The Republican leadership's bill, unlike your own legislation, would drive campaign financing in the wrong direction. Your bill would control campaign spending; the Republican bill would encourage dramatic increases in spending. Your bill reforms the soft money system; the Republican bill would place a premium on soft money contributions from the very wealthy.

I remain committed to making true campaign finance reform a reality and look forward to working with you and other members of the House in a renewed effort to attain meaningful campaign finance reform.

Sincerely,

BILL.

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

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BALLENGER], who has worked actively on that portion of the bill which empowers the rank-and-file in the labor union movement.

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

Mr. BALLENGER. Mr. Chairman, I want to talk about the ultimate in special interest money and soft money. Much has been written in the press about the partisan politics surrounding the issue of mandatory union dues. And to be sure, there is a political aspect to this issue as there is to virtually every issue we deal with here in Congress.

But, as the House considers the Worker Right to Know Act, which is included in this campaign finance reform bill, I believe it is important our colleagues understand that this issue involves a good deal more than partisan politics. It is not just about Democrats versus Republicans or labor versus management. And, it is not about union-bashing. When we get right down to it, this is an issue about basic fairness.

For instance, is it fair that any union member should automatically have money deducted from his or her paycheck to pay for political candidates or causes with which they do not agree? Is it fair that a union member should have to battle his or her union in order to object to the union's spending of dues for political purposes? And, if he or she does object, is it fair that a union member be subjected to harassment from the union, or worse, the threat of losing his or her job? And, finally, is it fair that a union member should have to resign from his or her union and give up all rights to participate in important workplace matters, simply because he or she does not agree with union politics? I certainly do not think so, Mr. Chairman, and I would hope and expect that our colleagues on both sides of the aisle would feel the same way.

The fact is that many unions are spending their members' dues on social and political causes that are not supported by the rank and file. Moreover, a number of hurdles are placed in front of employees who want to object to such expenditures. The Worker Right to Know Act would simply require unions ask their members for permission before spending their dues on those social or political causes. Is this too much to ask?

So, as we debate this issue, Mr. Chairman, we must take care that it does not get totally lost in the rancor of partisan politics. We must not lose sight of the fact that it is an issue affecting the wages of working men and women, and that more than anything else, it is an issue of basic fairness.

The Worker Right to Know Act would accord American workers with this basic right and I urge my colleagues to support this bill.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, I rise today in opposition to the campaign finance legislation being offered by the Republican leadership and in favor of the American Political Reform Act introduced by the gentleman from California [Mr. FARR].

Americans across the political spectrum have raised their voices in favor of real campaign finance reform, and I want to underscore that word, real campaign finance reform, and every major reform organization in America has spoken out against this Republican bill. Yet the Republican leadership is offering legislation that would actually turn the hands of the clock back on reform by restoring big money abuses that made Watergate a household word.

The Republican leadership bill imposes no spending limits on campaigns, increases the amount of money individuals can give to candidates, and opens the door to bigger and bigger contributions to parties, PAC's and politicians.

This is not reform. It only has a rubber stamp that someone found that stamped the page ''reform.'' It is not reform.

I urge my colleagues to vote for the best and the only campaign finance reform bill being offered today, the American Political Reform Act, and I hope all my colleagues will on a bipartisan basis so we can prove to the American people that we can move along and reform the system.

Mr. FAZIO of California. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the gentleman from Ohio [Mr. PORTMAN] pointed out that the chairman of the Democratic National Committee had urged that there be no limit on what a campaign committee could give to a candidate and that was originally the position of Mr. Barbour, and until the bill was amended here on the floor today, that was the position of the majority.

I think cooler heads on the Republican side have now prevailed and an amendment providing new limits is now in place as the American people would want them to be, and in case there is any confusion about where the gentleman from South Carolina, Mr. Fowler, is on this issue, I would now like to include for the RECORD a stinging critique of this legislation:

DEMOCRATIC NATIONAL COMMITTEE,
Washington, DC, July 23, 1996.

Hon. VIC FAZIO,
Ranking Minority Member, Committee on House Oversight, Longworth HOB, Washington, DC.

DEAR CONGRESSMAN FAZIO: I am writing to protest in the strongest possible terms the misuse, by Congressman Bill Thomas, of excerpts from my testimony before the Committee on House Oversight last December. To suggest that I in any way endorse any element of the Gingrich/House Republicans' campaign finance reform bill (H.R. 3760) is a false, deliberate attempt to mislead and confuse the debate.

As I stated in my testimony before the Committee, and again before the Senate Rules Committee on April 17, 1996, there are some principles that I believe should guide the Congress in formulating campaign finance reform legislation. As the President has articulated, real campaign finance reform must limit campaign spending; restrict the role of special interests; open up the airwaves to qualifying candidates; and ban the use of soft money in federal campaigns.

The Gingrich/Republican bill utterly fails to meet any of these requirements. To the contrary, it would clearly make the problem far worse. the Gingrich/Republican bill would—

Do nothing whatsoever to cap or reduce total campaign spending.

Increase the role of special interests, by allowing wealthy individuals to contribute more than ten times the current limit to federal campaigns and the federal accounts of political parties in a single cycle. Indeed, under the Gingrich bill, a single individual could contribute more than $3.1 million to all campaigns and parties, in a single election cycle.

Do nothing whatever to increase access of candidates to the airwaves.

Allow political party committees to continue to receive unlimited soft money.

In that connection, Congressman Thomas's #4 ''Dear Colleague'' represents a particularly twisted distortion. I certainly support some expansion of the grassroots volunteer activities, but that has absolutely nothing to do with continuing to allow soft money—which we oppose and have consistently opposed.

Under current law, to the extent these grassroots activities benefit federal candidates, they must be paid for with federally-permissible funds (hard money). It has been our consistent position, as I stated in my testimony both before the Committee on House Oversight and the Senate Rules Committee, that real reform requires that both generic and mixed activity—in other words, any activity benefitting a federal candidate—be paid for entirely with federally-permissible funds (''hard money''). That would be the case both under the McCain-Feingold bill and the House Democratic bill.

By limiting the influence of special interest groups, the McCain-Feingold and House Democratic bills would increase the relative importance of the political parties in our system. Further, with spending caps imposed on candidates, candidates would require less total contributions than they do now, and more federally permissible funds would be freed to be contributed to the parties. Party resources spent on candidates—both under the section 441a(d) limits and the volunteer grassroots activities—would represent a greater portion of the candidates' total resources. Thus parties would become more significant players in our system.

By contrast, under the Gingrich/Republican bill, total contributions by wealthy individuals to campaigns would increase by enormous amounts, while the amounts parties could contribute to or expend on behalf of candidates would not increase by nearly the same proportion. Thus parties would play a less significant role, under the Gingrich/Republican bill.

Finally, Congressman Thomas has completely distorted the position of the DNC in its amicus brief filed with the U.S. Supreme Court in the Colorado Republican case. Under current law, a membership organization's communication with the public is subject to the federal campaign finance law only when it ''expressly advocates'' the election or defeat of a candidate, and we believe that standard should apply in determining when expenditure limits apply to the communications of political parties. The question is the definition of ''express advocacy.'' In our brief filed with the U.S. Court of Appeals for the Fourth Circuit in the Christian Action Network case, the DNC urged the Court to reject the definition adopted by the House Republicans and instead adopt the broader definition used by the Federal Election Commission.

In short, there should be no confusion about the fact that the Gingrich/Republican bill is a sham which would make the current system much worse. By no meaningful measure can this bill be called ''reform.'' It goes without saying that nothing I have ever said can or should be construed as an endorsement of any part of this bill. We urge the Congress of the United States to reject the Gingrich/Republican bill.

Sincerely yours,

DONALD L. FOWLER,
National Chairman.

Mr. THOMAS. Mr. Chairman, I yield myself 30 seconds.

In addition to the statement in front of the committee by the chairman of the Democratic National Committee about having no limits, which we finally decided was not as wise as we thought it was initially, this is another quote. He said on December 12 in front of the committee: ''I do believe that the contributions from individuals should be increased. If you asked me for a number, I would say $2,500.''

We thought that perhaps was an appropriate suggestion, as well. When we then began listening to the kind of outrageous statements made by people that we were enabling fat cats, we decided not to listen to the Democratic National chairman, and keep it at $1,000.

And so it is interesting the kind of quotes the Democratic National Committee chairman actually believed when it was not rhetoric.

Mr. FAZIO of California. Mr. Chairman, I yield 3 minutes to the gentlewoman from Michigan [Ms. RIVERS].

Ms. RIVERS. Mr. Chairman, well, welcome to reform week; where is it? Instead of a week, we are going to have 120 minutes of reform and, as a freshman who has worked very hard with others and on my own to introduce several bills that would deal with reform, I am quite disappointed. I took the time to testify to the Committee on Rules last week on several bills that would save money, establish accountability, reestablish trust between Congress and the American people, the bills that dealt with PAC checks on the floor, adding sunshine to our campaign reporting procedures, and what has happened? Nothing. No action.

Today, as we consider the issue of campaign finance reform, the majority bill provides more of the same, no action. For limits we find that instead of the truly egregious bill that we saw last week, now we are just going to double the individuals' ability to put money into the system.

Where is the accountability? Well, none that I can see. Soft money will still be a huge part of how we finance campaigns in this country.

Will we put less power in parties as many people in this country want? No; not at all. In fact, parties will probably see more money, the same sort of soft money that they have used up until now, and under the newest court rulings probably the ability to spend as much as they want in any race in the country.

And what will happen to ordinary people? The wealthy can now double their investment. Ordinary people, people like bricklayers, nurses, flight attendants who participate as a group through PAC organizations will see their influence cut in half under this bill. They will become spectators in a game where only the wealthy and the powerful may play.

The Farr amendment is a good bill, and I support it. It provides for real accountability by eliminating soft money, real limits on spending and donations and a real balance between the rich and poor, the powerful and the ordinary.

This is what normal, every day people in this country want, accountability, limits, balance. Please support the Farr substitute. It is a far, far better bill.

Mr. THOMAS. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. EHLERS], vice chairman of the Committee on House Oversight, someone who has spent numerous hours working with us to perfect the bill we have today.

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

Mr. EHLERS. Mr. Chairman, the previous speaker referred to reform and the need for reform. I simply want to quickly point to the chart we have before us here showing that this truly is the reform Congress. Start with the very first day of this Congress and look at the many reforms we have instituted. I simply do not have time to go through all of them, but I ask you go down the list of all the reforms that we have made during this session of Congress, and note it is a truly remarkable record.

□ 1415

You see, at the very top of the chart, campaign finance reform. This is our attempt to fulfill another one of the promises we made to the American people when we were elected.

Mr. Chairman, I think it is very important to recognize that this is truly a reform bill. There have been a lot of negative comments made, but they missed the mark. I have served at the local government level, I have served at the State level, I have served at the national level. In my experience, the key point is to trust the American people to do the right thing but give them the information they need to make a good decision. That is precisely what this bill does.

As a friend of mine said to me a few weeks ago when I was talking to him about the problems we are facing with campaign finance reform, and this is someone who is not involved in politics, but he said, ''I have looked at this issue for a long time. I believe the simple answer is no cash, and full disclosure.''

This bill certainly meets his requirement, because it does provide, for the first time, full disclosure of all the money that candidates and parties get and all the money that interest groups spend on elections. I think that is a very important factor: No cash, full disclosure.

But we go beyond that. We maintain many of the contribution limits, and I think that is extremely important. But it is also important to recognize that we are in this bill empowering individuals, and we are empowering political parties, to be important players in the political process.

Mr. Chairman, it is very important for us to recognize that, in modern-day America, advertising is the name of the game. General Motors spends more than $250 in advertising for every automobile they sell. We as candidates have to present ourselves to the American public. We have to give them information about ourselves and about the issues. We cannot do it without spending money on advertising. Advertising is very expensive.

In my case a full page ad in my hometown newspaper, and it is not a large city, is $2,500 for a full page ad and it costs approximately $1,500 to $3,000 for 30 seconds on TV, and they tell me that this is cheaper than many major TV markets. We have to get the message out. It costs money to get the message out.

If we add together all the money spent on political campaigns in this Nation, State, local, and national, add it all together, it is millions of dollars; but let me tell the Members, it is less than one-third of the amount of money that this Nation spends on advertising antacids.

I ask the Members, what is more important, to give the voters information about candidates and issues, or to give them information about antacids?

I believe in this bill we have put together a good package which allows us to get the information out to the American public about candidates and about issues. It does it responsibly, it does it with full disclosure, and it does a much better job of governing campaign finance than the law we have right now.

A few interest groups oppose it, but they are themselves misleading the public on some of these issues. I think it is to their shame that they are doing this. I urge support of this bill, and I urge passage of this bill.

Mr. FAZIO of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I hate to quibble with my friend, the gentleman from Michigan, but this bill does not adequately report on what third parties are putting into the political process. That is something we can improve in the motion to recommit.

Mr. Chairman, I yield the balance of my time to the gentleman from Connecticut [Mr. GEJDENSON], a member of our committee and a long-time advocate of campaign finance reform.

The CHAIRMAN. The gentleman from Connecticut [Mr. GEJDENSON] is recognized for 3¾ minutes.

Mr. GEJDENSON. Mr. Chairman, there are lots of things to debate about in campaign finance reform, but one of them is not the proposal put forth by the gentleman from California [Mr. THOMAS] today. It is clearly somewhat better than his original proposal, but it is still a bad bill; it is universally viewed as a bad bill, a bill that goes in the wrong direction, that deals with the wrong issues.

Many of those outside this political institution have described the Thomas bill as the wrong direction, a fraud, and a sham. Why? The answer is very simple: To believe that the Thomas bill is the solution to our problems in campaign financing, you would have to believe that wealthy people do not have enough influence, that poor people and working people have too much influence in this institution, and there just is not enough money in politics today.

Mr. Chairman, I am not sure where members could get that idea, but let me tell the Members something, it is a concept that the American people and most observers recognize is ridiculous. We have too much money in politics, we spend too much time raising that money, and what we have before us is a proposition that would give wealthy and powerful individuals more access to the political process and exclude poor and working people more than ever before.

We take categories of money where there used to be limits, and the Thomas bill says there are no limits for wealthy people to give. If that is not bad enough, they found a way to hide the source of the money. We are going to take politically incorrect corporations, they will give the money to the parties, and then the parties cangive the money to the candidates. So candidates can get up and posture for welfare reform, for economic reform, for the environment, for senior citizens, and take all the contributions they can get, washed through the political parties, with no identification as to where it came from.

Yes, there will be a list of who gave to the Republican Party, but it will not reflect on the individuals. One of the only good things about today's system is at least you know where the money comes from. Under the Thomas proposal you do not know where the money comes from.

Again, listen to the fundamental proposition, Speaker GINGRICH apparently enunciated it: There is not enough money in politics today. For God's sakes, if there is one thing a third-grader would know is we all spend too much time raising money, we spend too much money, and it does not help the political debate. We need to find a way to control spending. Is the Farr bill perfect? No. The Gejdenson bill was not perfect, either. I am not sure we could come up with a perfect bill.

But I can tell the Members something, this bill is dead wrong. It goes in the wrong direction, it gives rich people more power, it cuts off working people, it cuts off poor people. For God's sakes, think about this concept. We are going to call this legislation reform, and then we are going to make it easier for a handful of millionaires to control the political process.

In three categories there are no limits to the contributions. How can we come here today, after all their talk about reform, and come up with a bill that does nothing about a spending limit, that does nothing about independent expenditures? I think those on the outside who called this bill a fraud were too kind. This bill is a blatant misrepresentation of what we need, and it is a clear attempt to deprive one group of people in this country from political participation and empower the wealthiest, most influential people in the country. It was clearer in the original Thomas bill. In the original Thomas bill an average family could give $2.4 million. Ridiculous. Vote down the Thomas bill, vote for the Farr bill.

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

Mr. Chairman, I do not have the time to correct all of the dollar errors on the gentleman's chart, and I would also tell him that all of the volume in the world does not make his statement so. We have more disclosure, not less. We have tighter rules on independent expenditures, not less.

This whole debate is about the role and use of government. Democrats, true to form, want to use government to control. They want to limit. They want to have a one-size-fits-all Washington-imposed dollar amount.

The problem is, they have no limits at all, unless people voluntarily give up their constitutional rights as defined by the court. We say, let us use government to empower individuals. Let us

let the people back home who are subjected to all of this determine how much should be spent in a campaign.

That is truly a frightening concept to the people across the aisle. They would have to go back home and justify what they are doing to the people in the district without their Washington power base, without their New York fundraisers, without their Hollywood extravaganzas. Let us empower the people back home. That is what we do. That is what is really revolutionary about the approach that we are taking. I would ask for an ''aye'' vote on the basic bill.

Mrs. ROUKEMA. Mr. Chairman, when the final chapters of the history of this Congress are written, we will have achieved many significant accomplishements. First and foremost, we have finally turned the corner on our fiscal crisis by enacting record-breaking levels of deficit reduction. In addition, we have modernized our telecommunications laws, revolutionized agricultural subsidies, and implemented badly-needed reforms in our 40-year-old lobbying laws.

And, if we all do our jobs between now and October, we will fundamentally change our out-of-control welfare system, gain control of our borders through tough immigration reform, allow working American families greater access to health insurance, and modernized our financial services laws.

Mr. Chairman, I rise today to address what should be a centerpiece of this reform Congress, but won't be—real reform of our campaign finance reform system.

Clearly, it's a system that is out of control. Campaign costs are skyrocketing. Candidates, incumbents, and challengers alike, find themselves devoting more time and more energy to fundraising. The reach and influence of political action committees continue to grow. As a result, the financial chasm between incumbent and challenger continues to widen.

Gone forever seem to be the days when a congressional challenger can run a campaign on a shoestring and defeat an entrenched incumbent, as I did through the 1978 and 1980 cycles.

All of this creates an impression in the public's mind that Members of Congress are being bought and sold by special interests with little opportunity for the average taxpaying citizen to have a real say in the process.

Let's consider the costs. Twenty years ago, the combined costs of all elections in the United States of America stood at just over $500 million. In 1992, that total exceeded $3 billion. That's three times the increase in the cost of living during that same period. In 1994, the average cost of winning a House campaign, including the many uncontested races, was more than $500,000.

The trend to these big money campaigns is terribly corrosive—and, I might add, self-perpetuating.

In the first place, candidates, including sitting Members of Congress, find themselves devoting increasing amounts of time and energy to raising money. Of course, this is time taken away from legislative or other important duties.

Which leads me directly to my second conclusion: that big money campaigns are self-perpetuating. It is a fact of political life that it is far easier for sitting Members to raise money than it is for their challengers.

I know. I've been there.

In 1978, I first ran against incumbent Representative Andrew Maguire. The money was very difficult to come by. In contrast, the Congressman was supported widely by major corporations, PAC's, and other powerful concerns.

My case was by no means unique. Today's incumbents typically have a 2-to-1 funding advantage over their challengers. A major factor in this ratio is that nearly three-quarters of PAC money goes to sitting Members—71 percent in 1994. Consider that an incumbent is typically well-known while the challenger has the difficulty of building name recognition—usually through expensive broadcast advertising—and the disparity is exaggerated. This makes a challenger's uphill battle nearly impossible.

Ironically, PAC's were once seen as a good government reform—a way for individuals who lacked power and money to band together and make their voices heard. Today, however, many PAC's are nothing more than tools of special interests and organizations that always had power and money. PAC's simply make it easier for these companies and groups to wield their considerable influence.

So the problem is well-known and, I submit, so is the solution.

Mr. Chairman, today we should be debating the bipartisan Clean Congress Act, introduced by my colleagues LINDA SMITH, CHRIS SHAYS, and MARTY MEEHAN in the House and JOHN MCCAIN and RUSS FEINGOLD in the Senate.

The bipartisan Clean Congress Act seeks to level the playing field between sitting Members and congressional challengers in a number of important areas. The bill would offer reduced rates for radio and TV commercials who agree to campaign spending limits. The bill would also prohibit PAC contributions to congressional candidates and requires that at least 60 percent of a House candidate's contributions come from the candidate's home State. Limits on lobbyists' campaign contributions would be lowered and a number of tougher important restrictions would be imposed.

Instead, we find ourselves debating two measures—neither of which is worthy of the title genuine reform.

Fundamentally, the Thomas bill will inject more money into the political system, not less, and perpetuates and expands all the corrosive effects of soft money.

The Democrat substitute also pales in comparison to our bipartisan bill. For example, it tinkers around the edges of PAC activity by trimming a mere $2,000 from the amount a PAC can contribute to a candidate.

Mr. Chairman, both of these bill are fundamentally flawed. In fact, enactment of either of these bills would do more to lock in some of the worst aspects of our campaign finance system.

Bad reform is worse than no reform. We should reject both the substitute and the base bill and start all over again. I recognize that this will not happen this year. I regret we will not be able to claim campaign finance reform on the list of accomplishments of this Congress.

If we cannot accomplish genuine reform then let's make this an issue we take to the people this election year.

Mr. POSHARD. Mr. Chairman, I rise in opposition to both the Republican campaign finance reform plan and the Farr substitute. These two proposals do not represent real reform—instead they mask the very problems that I and many of my colleagues on both sides of the aisle believe need to be addressed if we are to truly combat the influence of money in politics.

The Republican bill opens a new avenue for political parties to spend unlimited amounts of soft money on communications with their members. It is believed by many that this provision would simply codify unlimited privately funded campaigning. Additionally, both the Republican bill and the Farr substitute increase, instead of reduce, the annual aggregated contribution limit. This has the effect of giving additional buying power to the very wealthiest Americans.

Neither bill eliminates political action committee contributions, one of the biggest problems plaguing our national campaign system. Because I saw first-hand the influence of PAC money when first arrived in Washington, I have voluntarily refused PAC donations and rely instead on small, individual donors.

Because I believe drastic reforms are necessary to fix the current inequities, I am a cosponsor of the Bipartisan Clean Congress Act, a bill which eliminates PAC contributions, bans franked—taxpayer financed—mass mailings in election years, and sets voluntary spending limits with benefits of TV, radio, and postage rate discounts for those who comply with the limits. Neither of the reform bills before us today begin to meet the goals of the Clean Congress Act. While I understand there are also some concerns by an array of groups about the scope of the act, it is by far the best foundation in which to begin debating real campaign finance reform. Unfortunately, the Clean Congress Act was not allowed to come to the floor today.

We are not debating campaign finance reform today because of the House leadership's commitment to passing campaign finance reform that will dramatically change the influence on money in politics. Instead, we are here today giving Americans a false impression that a majority of Congress supports true reforms—unfortunately this is not the case. If the House was truly serious about campaign finance reform, we should be considering many of the reforms contained in the Clean Congress Act.

Mr. BLUMENAUER. Mr. Chairman, I rise in favor of passage of the substitute measure. The gentleman from California has proposed a bill that takes an important step in the direction of limiting the amount of money in Federal election campaigns. In so doing, this Democratic alternative goes in the opposite direction of H.R. 3820, which dramatically increases nearly every existing campaign contribution limit, and imposes no limit on spending.

Mr. Speaker, it is a mystery to me why the subject of campaign finance reform is one that continues to divide this House along partisan lines. There is a fundamental congruence of

interest on this issue between our constituents, who want to reduce the influence of large amounts of money on elections, and the members of this body, who must raise these enormous sums. It is demanding difficult, and demeaning to spend so much time in the pursuit of money instead of discussing and debating the issues during a campaign.

The substitute measure would, for the first time, place a spending limit on candidates for Congress, with rewards for those who honor the limits and penalties for those who do not. The limit is generous—I would favor a more restrictive limitation—but it is a start, and it includes within it further limitations on expenditures of PAC contributions and large-donor contributions, ensuring that every candidate must turn to individuals of modest means for support.

I sincerely hope my colleagues on both sides of the aisle will join in adopting these limits. I hope, too, that we will view the substitute bill as a good first step, and return to this subject again, soon.

Mr. KANJORSKI. Mr. Chairman, I first introduced legislation to overhaul our system of campaign financing 6 years ago, in 1990. I introduced my bill, because I believed then, as I believe today, that our current system of financing campaigns is broke and needs fixing. I introduced my bill, H.R. 296, the House of Representatives Election Campaign Reform Act of 1995, after lengthy consultation with Members on both sides of the aisle, with eminent academic experts on campaign finance reform, and with my constituents.

Although the campaign finance reform bills considered by the House in the 102d and 103d Congresses contained only some of the provisions of my bill, I voted for the bills which came before the House in both the 102d and 103d Congresses because I believed they made significant steps in the right direction. Unfortunately, in the 102d Congress the bill was vetoed by President Bush, and in 103d Congress Senate Republicans blocked efforts to go to conference on this important legislation, and as a result neither bill became law.

Last year, in Claremont, NH, President Clinton and Speaker GINGRICH made a public commitment to embark on a bipartisan effort to pass campaign finance reform legislation. While President Clinton subsequently submitted campaign finance reform legislation to the Congress, Speaker GINGRICH effectively reneged on his commitment and no bipartisan reform commission was ever established.

Instead, what we have today, is two separate, partisan proposals, one developed by Speaker GINGRICH and House Republicans, and the other by the House Democratic leadership. Unfortunately, because both bills were drawn up by partisans, they are both seriously flawed. Instead of trying to level the playing field for incumbents and challengers alike, for Democrats and Republicans, and for wealthy candidates and poor candidates, each bill seeks to achieve an advantage for one side or another. As a result, both bills are fatally flawed, and deserve to be rejected.

The Republican bill, H.R. 3820, which was previously, H.R. 3760, is fatally flawed because it does nothing to control the overall cost of elections, because it substantially increases the amount that individuals can contribute to candidates and parties, because it creates an enormous loophole which allows rich individuals and corporate PAC's to funnel tens of thousands, if not hundreds of thousands, of dollars to candidates through State and national parties, and because it severely restricts the ability of average working people to contribute a dollar or two every pay period to candidates.

The Democratic bill, H.R. 3505, is also fatally flawed because it restricts the rights of groups to communicate to their members how House and Senate Members voted on issues they are interested in. It also contains an inappropriate loophole in the provision which otherwise prohibits the bundling of campaign contributions, effectively allowing bundling by a few favored groups.

I deeply regret that the Republican leadership has brought these campaign finance proposals to the floor under a rule which prohibits Members from offering amendments to improve either of them. This is nothing more than an attempt to appear to be for reform, knowing full well that neither bill will become law. Instead, the existing status quo, which is fatally flawed, will be maintained.

We cannot restore the confidence of the American people in their government unless we enact campaign finance reform legislation, but we cannot achieve this goal in a partisan manner. In order to have a government in Abraham Lincoln's words, ''of the people, by the people, and for the people,'' we must eliminate the pernicious effect of enormous sums of money on our political system. That is the premise of my proposal, H.R. 296, which I believe is fair and balanced to both parties, to incumbents and challengers, and to rich and poor candidates alike.

If neither the Democratic nor the Republican proposal before us is fair, what should we do to prevent the U.S. Congress from becoming the ''Millionaires' March on Washington''?

There are two overriding concerns which should guide our actions in this area: First, public officials must be more concerned with the policy implications of legislation, than on their ability to raise campaign funds, and second, no individual or group should be able to buy an election.

Mr. Chairman, I come to this issue from a somewhat unique perspective. I am one of a relatively small number of members who grew up in one party, and later became a member of the other party. I was raised as a Republican and served in the 83d Congress as a Republican page, and I worked on several Presidential, gubernatorial, congressional, and State and local Republican campaigns in the 1950's and early 1960's. As the Republican Party moved to the extreme right in the mid 1960's and deserted those of us in the moderate Rockefeller-Scranton wing of the party, I became a Democrat, and was elected to Congress as a Democrat in 1984.

My election in 1984 was also an unusual event. I defeated an incumbent Congressman in a primary, a rare occurrence, and I was one of a mere handful of new Democrats elected to the House during the 1984 Reagan landslide.

Before I was even sworn-in for my first term in January 1985, my 1986 opponent was campaigning and raising hundreds of thousands of dollars in campaign contributions. In the 1986 campaign I was outspent nearly two-to-one by an opponent who raised and spent well over a million dollars in a district where media is relatively inexpensive and where no one had ever spent more than a couple of hundred thousand dollars in a campaign. My race turned out to be one of the two or three most expensive races in the country in 1986. Despite being massively outspent, I still managed to win with more than 70 percent of the vote.

In short, Mr. Chairman, I know what it is like to be an underdog. I know what it is like to be outspent. I know how hard it is for challengers to raise campaign funds, and I know how unfair it is when one candidate has economic resources which are not available to his opponent.

My bill, H.R. 296, the House of Representatives Election Campaign Reform Act of 1995, is an effort to bridge the gap between the parties over campaign finance reform, by enacting meaningful, but fair and balanced, reforms. It encourages honest competition and will help to further the goal of a government, ''of the people, by the people, and for the people.''

This comprehensive campaign finance reform bill addresses all of the most pressing issues in campaign finance reform: from the growth of political action committees [PAC's] and the declining influence of small contributions from individuals, to independent expenditures, the unfair advantages of candidates who are personally wealthy, and PAC's controlled by elected officials.

H.R. 296 also contains stiff criminal penalties for individuals who violate federal election laws.

Many of the provisions contained in this legislation are based on proposals originally recommended by Dr. Norman J. Ornstein, of the American Enterprise Institute for Public Policy Research. Dr. Ornstein is a nationally known as well respected scholar of the American political and constitutional systems. He is held in high regard by members of both parties, which is why his ideas may help us move beyond our past partisan differences.

The cornerstone of H.R. 296 is the significant reduction in the amount of money political action committees [PAC's] many contribute to candidates and the strong new incentives provided to encourage small contributions from instate contributors. The bill slashes the maximum contribution a PAC can make to a candidate from the current $5,000 to no more than $2,000 per election cycle. That is a 60 percent reduction.

The bill provides both a tax credit and a Federal matching payment for individual contributions of $200 or less to qualify candidates who are running for Congress in the contributor's home State.

In order to qualify for matching funds, a candidate must agree not to spend more than $100,000 of his own money on the campaign, and must raise at least $25,000 in contributions of $200 or less from instate residents. A voluntary income tax checkoff, similar to the one already used to finance Presidential elections, is created to provide the Federal matching funds.

The bill also provides reduced broadcast rates for commercials which are at least 1 minute long, thus discouraging 30-second sound bite commercials. It provides disincentives to discourage so-called independent expenditures, and it penalizes candidates who spend large sums of their personal money on their campaigns.

Mr. Chairman, I know there may be a tendency on the part of some to blame all the ills of our current system on political action committees. They are convenient scapegoats, but

they are nowhere near as responsible for our current problems as the disparity in resources between incumbents and challengers, and the amount of money which must be raised and spent in many races just to be competitive. The elections of 1994 demonstrate dramatically that all the PAC money in the world cannot save a candidate if the public does not agree with his message.

We must also remember that PAC's were created in the early 1970's as part of a reform to cure what was then an even larger problem, the fact that special interest groups could give virtually unlimited sums of money without anyone knowing who was making the contribution. PAC's were created to increase disclosure and accountability, so that everyone would know where campaign funds were coming from. In this respect they have succeeded and have increased both disclosure and accountability. Sunshine and full disclosure are the most important tools we can provide voters so that they can make informed choices.

Some people contend that if we simply do away with PAC's all of our campaign finance problems will disappear. That just is not true. It is a simplistic view of the world. It does not take into account the advantages that wealthy candidates have over candidates of modest means. It will not make an average citizen a competitive candidate. The sad truth, Mr. Chairman, is that even through PAC limits have not changed in 20 years, and have thus declined in real terms, campaign expenditures have continued to escalate, and expenditures which were extraordinary as recently as 1986, are nearly commonplace today.

That is why I also believe we need a constitutional amendment to allow us to set absolute limits on campaign expenditures and contributions.

Changes in Federal law relating to PAC's are necessary, but alone they are not sufficient to reform our campaign finance system. PAC reform without more comprehensive financing reform will not work. It would deal with the symptom, but not the underlying disease, which would eventually re-emerge and kill the patient.

In conclusion, Mr. Chairman, I would like to include in the RECORD, a full section-by-section analysis of my bill, H.R. 296, a comprehensive solution to our campaign finance problems which is much fairer to both parties and to challengers and incumbents alike, than any of the proposals we will consider today.

SECTION-BY-SECTION ANALYSIS OF HON. PAUL KANJORSKI'S HOUSE OF REPRESENTATIVES ELECTION CAMPAIGN REFORM ACT OF 1995 H.R. 296

SECTION 1. SHORT TITLE

The Act may be cited as the ''House of Representatives Election Campaign Reform Act of 1995''.

SECTION 2. LIMITATION ON CONTRIBUTING TO HOUSE OF REPRESENTATIVES CANDIDATES BY POLITICAL ACTION COMMITTEES

Reduces from $5,000 to $2,000 the maximum contribution a political action committee may make to a candidate per election.

SECTION 3. CREDIT FOR CONTRIBUTIONS TO CONGRESSIONAL CAMPAIGNS

Provides a 100% tax credit for the first $200 (or $400 in the case of a joint tax return) in personal contributions an individual makes to a House candidate running from the same state.

SECTION 4. DESIGNATION OF INCOME TAX PAYMENTS TO THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND

Provides for a $2 tax credit check-off on individual federal tax returns to be paid to the ''House of Representatives Campaign Trust Fund.''

SECTION 5. ESTABLISHMENT OF THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND

Creates a House of Representatives Campaign Trust Fund under the Secretary of the Treasury to receive funds derived from the $2 check-off on individual tax returns and authorizes expenditures from the trust fund to certified candidates who have raised not less than $25,000 in contributions of $200 or less from individual contributors from their states.

SECTION 6. AMENDMENT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 RELATING TO REPORTING OF INDIVIDUAL RESIDENT CONTRIBUTIONS IN ELECTIONS FOR THE OFFICE OF REPRESENTATIVE

Requires House candidates to report to the FEC when they have raised more than $25,000 in contributions of $200 or less from individuals residing in their states and requires the FEC to certify this to the Secretary of the Treasury.

SECTION 7. AMENDMENT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 RELATING TO MATCHING PAYMENTS FROM THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND

(a) Entitles House candidates to matching funds from the trust fund for the first $200 in contributions from individuals who reside in the state.

(b) Limits maximum total aggregate matching payments to $300,000.

(c) In order to receive the matching payments, House candidates are required to certify, under penalty of perjury, that neither they, nor their family, shall furnish more than $100,000 in personal funds or loans for the campaign.

Establishes penalties of up to $25,000 in fines and/or 5 years in prison for violations of any certifications that a candidate will not exceed $100,000 in personal funds.

(d) Provides that if a candidate for the House refuses to make a certification that he/she will not spend over $100,000 in personal funds, that candidate's opponents may receive matching funds for up to $1,000 in contributions from individuals regardless of their state of residence.

(e) Allows opponents of a House candidate, who violates a certification to limit personal spending to $100,000, to receive from the trust fund payments equal to the amount of personal funds contributed by the violating candidate in excess of $100,000.

(f) Permits certified House candidates who are the target of independent expenditures which exceed $10,000 to receive from the trust fund an amount equal to 300% of the amount of the independent expenditure. Persons found to have willfully or intentionally sought to subvert the intent of subsection may be fined up to $25,000 and/or imprisoned for up to 5 years.

(g) Requires the repayment to the trust fund of a portion of any excess campaign funds after the election in an amount equal to the pro rata share that trust fund payments accounted for of the candidate's total aggregated receipts from all sources for the election. Repayments to the trust fund shall not exceed the total amount received from the trust fund.

(h) Requires the FEC to issue regulations to biennially index the provisions of subsection (a).

SECTION 8. AMENDMENTS TO SECTION 304 OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 WITH RESPECT TO INDEPENDENT EXPENDITURES

Requires the reporting to the FEC, within 24 hours, of any independent expenditure in a House race which exceed $10,000, and a statement as to which candidate the independent expenditures are intended to help or hurt. Requires the FEC to notify each candidate of the independent expenditures within 24 hours.

SECTION 9. AMENDMENT RELATING TO BROADCAST MEDIA RATES AND DISCLOSURES

(a) Requires broadcast stations to offer their lowest rates, to House qualifying candidates who have agreed to limit personal spending to $100,000, for commercials which are 1 to 5 minutes in length.

(b) Requires the inclusion of the statement ''This candidate has not agreed to abide by the spending limits for this Congressional election campaign set forth in the Federal Election Campaign Act'' in any broadcast or print advertisements of House candidate who refuse to agree to limit personal spending to $100,000.

SECTION 10. PENALTIES

Makes it unlawful to furnish false information to, or to withhold information from, the FEC, punishable by up to $10,000 in fines and/or up to 5 years in prison.

SECTION 11. RESTRICTIONS ON CONTROL OF CERTAIN TYPES OF POLITICAL COMMITTEES BY CANDIDATES

Prohibits House candidates from establishing, maintaining, or controlling a political committee other than an authorized committee of the candidate.

SECTION 12. AUTHORIZATION OF APPROPRIATIONS

Authorizes such sums as are necessary to carry out the Act.

SECTION 13. EFFECTIVE DATE

Provides for the provisions of the Act to take effect after December 31, 1994.

SECTION 14. SEVERABILITY

If any provision of the Act is held to be invalid, this will not affect the other provisions of the Act.

Ms. HARMAN. Mr. Chairman, I rise to express my support for campaign finance reform and my disappointment that, once again, partisanship has colored this debate—to the disadvantage of the American people and our political system.

It's a shame that campaign finance reform—reform supported by an overwhelming majority of the American people—is being portrayed today as a partisan fight.

In fact, campaign finance reform is not partisan—and if the process by which we are considering amendments had been open, we could have proved it. Unfortunately, we are prevented from offering amendments, prevented from considering the Smith-Meehan-Shays bill, and prevented from making improvements to both of the alternatives brought before us.

Mr. Chairman, in my view, limiting campaign expenditures is not partisan. Limiting the influence of special interests, limiting a candidate's ability to self-finance a campaign, and limiting soft money are not partisan positions. They are sensible improvements designed to restore credibility and integrity to our campaign financing system.

Yet we are forced to choose between two competing bills in an environment highly charged by partisanship and acrimony. Once again, the leadership's efforts to drive wedges between the Members of this body will prevent

us from securing the best result for the American people and for the American political process.

While I want to commend BILL THOMAS for including in the House leadership bill several significant reforms, specifically the aggregate contribution limit on individuals, PAC's and parties, the Thomas bill is far too timid of the choices available. I choose the Farr substitute.

Though not perfect, the Farr substitute contains far more of the kinds of reforms that I think are necessary.

The Farr substitute establishes an overall voluntary spending limit of $600,000 on congressional campaigns. In exchange for adhering to voluntary limits, it provides candidates with discounted broadcast and mail rates.

The substitute limits contributions from PAC's and eliminates leadership PAC's altogether. It also limits the amount large donors can contribute. And, most important, it limits the amount individuals can contribute or loan to their own campaigns. In contrast, the Thomas bill only takes off restrictions if an individual self-finances above a certain dollar threshold.

Another important reform which the Farr substitute makes is a clear definition of what constitutes an independent expenditure.

It is my hope that the Farr substitute will marshal majority support in this Chamber. If it does not, public cynicism about Congress and the electoral process are likely to increase.

Mr. Chairman, we need reform. And if afforded the opportunity to consider in an open fashion the reform proposals made by some of our colleagues, including the proposal put forward by the gentlelady from Washington [Mrs. SMITH] and the gentleman from Connecticut [Mr. SHAYS] and the gentleman from Massachusetts [Mr. MEEHAN], I think we could have found a bipartisan consensus for a strong congressional campaign finance reform measure.

Under this rule, we'll never know for sure. And, as a result, campaign finance reform will continue to be used as a partisan sledgehammer instead of a tool to restore integrity and credibility to our current campaign finance system.

Mrs. COLLINS of Illinois. Mr. Chairman, I ask unanimous consent to revise and extend my remarks. I rise in support of campaign finance reform, I have always been, but this GINGRICH Republican bill is not reform, it is revolting. So I oppose this bill, H.R. 3820.

The 104th Congress, with a Republican leadership that was bought and paid for by special interest money, is a clear demonstration of what can and did happen when money talked and elephants walked into the leadership of this Congress. The GOP—guardians of the privileged—honored their obligations to their wealthy supporters: obligations to try to pass legislation to slash health, education, social services, environmental, and other programs that provide for and lift up the vulnerable among us.

In all my 23½ years in this Congress, I have never seen such flagrant special interest legislating. How can we control this buying and selling of the Congress? Easily, by cutting out the Republicans' special interest campaign finance preferential treatment bill. We must achieve meaningful reform of the Federal campaign financing system. That doesn't mean that we should raise the amounts of money wealthy supporters can contribute, that doesn't mean that we should raise the amounts of money that can be funneled into a candidate's campaign by hiding it in political party bank accounts, and it certainly doesn't mean that we should raise the limit on how much the very wealthy can spend to influence elections every year.

Until and unless we fix this boondoggle, campaigns for the U.S. Congress and the Presidency will always be in danger of being sold to the highest bidding special interests. So, what are the Republicans proposing? Guess.

What would enhance their ability to raise more money than the Democrats? Answer: Raising the amount an individual can give to a Federal candidate from $1,000 to $2,500.

How can the Republicans help their wealthy supporters have even more influence on policy and lawmaking? Answer: By raising the limit on the total amount an individual can contribute from $25,000 in an election cycle to $72,500.

How can the Republicans help their candidates get more support from the always better funded Republican party committees? Answer: By raising the amount of funds a party committee can contribute to their candidate, or doing away with a limit altogether.

Only if we defeat this Republican inspired bill will we be able to ensure that the Congress achieved significant reforms in the way in which the campaign finance system is structured and operated.

Comprehensive campaign finance reform is necessary to ensure the true revitalization of the American democratic process and I have been a strong supporter of legislative efforts designed to lessen the ever increasing costs of Congressional campaigns, as well as to provide for more competitive contests between incumbents and challengers. Understandably, the American public has become more and more disenchanted with big-money politics, and it is imperative that we renew the faith of our citizens in the ability of Congress to objectively represent the desires of our constituents.

In the 103d Congress, the House of Representatives and the Senate considered campaign finance reform legislation which included major provisions: First, a voluntary spending cap of $600,000 per House candidate in an election cycle, second, a limitation on contributions from Political Action Committees [PAC's] and large contributors of $200,000 per election cycle, third, the closing of several loopholes in current campaign law regarding independent expenditures and so-called soft money, fourth, restrictions on campaign contributions and fundraising by lobbyists, and fifth, the introduction of communications vouchers to provide greater access to television and radio time for all candidates.

In H.R. 3820, the one-sided special interest financing bill that the Republicans have designed clearly demonstrates that they never saw a special interest with too much money. Although the Republican leadership has publicly said that there needs to be more money spent in campaigns—not less, with this bill, they are trying to make sure they get the money that can.

I urge my colleagues to use some common sense and turn down this unlimited funding bill for the wealthy to elect more Republicans. Heaven forbid.

Mr. LIPINSKI. Mr. Chairman, today is a very important day in history. Today is the day when we can restore the American people's faith in Congress.

Recent polls show that the American people distrust Congress, and I can understand why. They feel that Congress is beholden to the rich and the elite. Clearly, Congress must take strong steps to restore public confidence.

However, H.R. 3820, the Campaign Finance Reform Act, is not the way. To paraphrase the New York Times, it is deformed campaign reform. It will open the floodgates for fat cats to give even more money to candidates and parties—from a maximum of $25,000 a year to more than $3 million a year. Only 1 percent of Americans contributed $200 or more during the last election. It is clear that H.R. 3820 will give this 1 percent of Americans, the elite, even more influence in the political process.

The GOP leadership has been crowing about campaign finance reform and the much touted ''Reform Week,'' but when it came time to put the product out, well, you see the result.

Then again, proponents of this measure are the same people who say that we do not spend enough money on politics and that campaigns, relative to the cost of marketing liquid detergents, are severely underfunded. Think about this for a moment. These are the same people who are behind H.R. 3820. That is probably why even my colleagues on the other side of the aisle are divided on it.

In a last minute attempt to gather support for this bill after a storm of public criticism, the Republican leadership made some substantial changes to their campaign finance bill. The changes, while a marked improvement over the original measure, still falls far short of any reasonable reform campaign finance. For instance, it still fails to address the problem of soft money. Wealthy individuals will continue to funnel unlimited amounts of cash through that backdoor leaving your average working families disenfranchised.

Ordinary citizens already feel that they are being pushed into the periphery of the political process by the rich and the elite. This bill only widens the chasm between ordinary citizens and the electoral process.

Fortunately, we have a viable alternative before us, and that is the Farr-Gephardt bill. Unlike the Republican proposal, it is real reform in the right direction. It establishes new limits on campaign spending, individual contributions, candidates' personal spending, and independent expenditures. In short, it reduces the influence of the rich and powerful, and rightfully increases the role of average working families in the political process. No longer will the elite 1 percent of the Nation dominate the political process.

So, Mr. Chairman, I strongly urge my colleagues to reject the Republican measure and support the real deal, the Farr-Gephardt bill. Let us not give the American people business as usual. Vote for meaningful reform during ''Reform Week''—not empty symbolism.

Mr. REED. Mr. Chairman, I rise to address one of the most important issues facing our Nation: reforming the electoral process. Mr. Chairman, the time has come for real campaign finance reform.

At present, too many Americans believe that our Government is for sale. Watching millions spent on political campaigns, our Nation's citizens see a system that is reserved for the wealthy and dominated by special interests.

These perceptions promote cynicism about government and undermine public faith in Congress. To win back the American people's trust, campaign spending must be brought

under control and the influence that money wields in our Nation's electoral process must be reduced.

Controlling runaway campaign costs will allow candidates to spend less time raising funds and more time discussing issues with voters. It will also level the playing field for our Nation's ordinary citizens, who now often feel that unless they are wealthy, they cannot realistically compete for public office.

Unfortunately, these goals are nowhere to be found in this Republican bill, which is opposed by nearly every group committed to government reform. United We Stand America has denounced this bill. The League of Women Voters calls it a fraud. Common Cause calls it a total phony and states, ''Any Member who votes for this bill can only be called a Protector of Corruption.''

Why has the Republican bill attracted uniform opposition? Because it ignores the American people's desire for meaningful campaign finance reform that controls the cost of campaigns.

The Republican bill does nothing to limit campaign spending in congressional elections. It does nothing to limit the role of wealthy individuals or increase that of our Nation's working families in elections. It does nothing to limit the excessive spending by political parties that the Supreme Court promoted in its Colorado Republican Party versus FEC decision. It does nothing to close the soft money loophole, which lets special interests pour millions of dollars into campaigns with no accountability.

The American people deserve better than this sham. Today the House should have an open debate on campaign finance reform to find the best answer to this critical issue. However, the Republican majority opposes such full consideration and refuses to allow the Smith-Shays-Meehan bill to reach the House floor.

Since coming to Congress, I have worked for real campaign finance reform. I have supported legislation to place voluntary spending limits on congressional campaigns, cap contributions from special interests and wealthy individuals, and close the soft money loophole. This year, I proudly sign the discharge petition to allow consideration of the Smith-Shays-Meehan bill, and I cosponsored House Joint Resolution 114, which would specifically allow Congress to place reasonable limits on campaign spending.

We need real campaign finance reform. I urge my colleagues to oppose the Republican bill and answer the American people's call to reduce the role of money in our Nation's elections.

Mr. SMITH of Michigan. Mr. Chairman, today, this Congress can pass much needed campaign finance reform. While this legislation doesn't go as far as I think it should, it's a positive step in the right direction.

I have supported campaign finance reform for a long time. I've introduced legislation in both this session and the last session of Congress that would have banned PAC contributions to congressional candidates. My proposals would also have required at least 50 percent of a candidate's total contributions come from within the congressional district. I'm pleased this important part of my proposal was adopted by the committee and is part of this legislation.

Representatives shouldn't be beholden to any interest other than the peoples' interest. And for the past 15 years, since I first ran for the Michigan Senate, I haven't accepted any special interest PAC contributions.

As a member of the Campaign Finance Reform task force, I am very concerned about the excessive amount of influence special interest political action committees [PAC's] have in Washington. During the last 19 months, as we've worked to rein in big Government lobbyists have become more aggressive in protecting their special interests. We must not let special interest PAC's with their huge political contributions decide legislation.

We've made progress in this bill, but I believe true campaign finance reform will only be achieved when we remove the undue influence of special interest PAC lobbyists and their millions of dollars in campaign contributions from the political process.

Some Members feel this bill goes to far, some think it does not go far enough. However, because of perception and because of the real undue influence of special interest lobbyists we must move ahead with campaign finance reform.

Ms. DUNN of Washington. Mr. Chairman, the electorate and those who participate in the political process are owed, at a very minimum, several fundamental protections to ensure fair and competitive elections. The House of Representatives has on its calendar the Campaign Finance Reform Act of 1996, H.R. 3820, legislation that addresses many of the injustices and shortcomings of the current campaign finance system. I want in my statement to underscore several points: the importance of guaranteeing integrity in the campaign process, the importance of requiring that candidates be accountable to the voters they seek to represent, and the importance of guarding the competitive nature of campaigns. I also intend to point out areas where I believe the efforts of the legislation before us fall slightly short.

The Campaign Finance Reform Act takes a first step toward ensuring that the interests most special to Members of Congress are the interests of the citizens of their district, and not, for example, the representatives of multicandidate political committees or lobbying firms. One of my highest legislative priorities this Congress has been the formulation of a meaningful, bipartisan campaign finance proposal—the FAIR Elections Act of 1996, H.R. 3543—the essence of which is a requirement that candidates for Federal office be more accountable to the citizens they represent.

Whereas my legislation creates fairness in the treatment of contributions from multicandidate political committees and individuals by equalizing the maximum permissible limits, the amended version of the Campaign Finance Reform Act retains the current disequilibrium. Under present law, individual limits are set at $1,000 and PAC limits at $5,000 per election. This legislation proposes to retain individual limits at $1,000, and lower PAC limits by half to $2,500 per election, indexing both prospectively for inflation. While this amendment to the original provision—which proposed to equalize the limits, but then retroactively adjusted them for inflation, in essence more than doubling the contribution limits of individuals—is an improvement over the original bill language, it is still a departure from what I believe to be the correct approach.

I believe this difference is critical to effective and meaningful reform. The proposed contribution levels create the perception that if you ban together with a group of like-minded citizens in a constitutionally protected effort to exercise your free speech rights, your voice is still a little bit more valuable, more weighted so to speak, than if you are simply an individual acting on that right. I assert that everyone's rights should be equal.

I would point out that last week, I asked the Rules Committee to make in order an amendment to the Campaign Finance Reform Act to change the original retroactive indexing to prospective indexing, thereby keeping the $1,000 equalization in place, but allowing for inflation adjustments to occur only from 1996 forward. While that request was denied, I credit Chairman THOMAS for being willing to take a second look at this provision to clean up the indexing portion of the proposal.

There have been in recent years instances of extremely wealthy candidates saturating their own campaigns with personal funds, creating an immense advantage over their opponents or keeping worthy challengers out of a race because of their inability to complete with personal funds. While some people are concerned about the amount of money being spent in campaigns, right now in our country more money is spent on the advertising of yogurt in a single election year than on all Federal races combined. I believe it is critically important to present the issues necessary to the discussion of who governs our Nation. And such a presentation requires money to buy brochures and printing and television or radio time. In my view, however, the leveling of the playing field is the critical issue.

The Campaign Finance Reform Act as originally reported provides special rules for candidates in an election when one of those candidates injects large amounts of personal wealth into the campaign. In the primary election for example, if $150,000 in personal wealth is spent, the bill raises individual contribution limits and lifts in-district fundraising rules for all candidates up to the amount spent. In the general election, if between $2,500 and $150,000 in personal wealth is spent, the bill allows political parties to contribute to the opponent a matching amount. And if over $150,000 in personal wealth is spent, the bill allows political parties to contribute matching dollars and also raises the individual contribution limits and in-district fundraising requirements.

An amendment I proposed would have lowered the triggering threshold to $50,000 in both the primary and general elections; $150,000 in personal wealth could be enough to secure a primary victory. That is why I believe the triggering limit is too generous, and why I sought to lower it.

One aspect of my own proposal would have offered incentives for individuals to become personally involved in the political process. By restoring the $100 per person tax deduction—$200 for joint returns—we would encourage citizens to contribute local dollars to candidates for State or Federal office, and thereby broaden the contribution base of a candidate.

After witnessing the political process from the perspective of a private citizen, a State party chairman, a candidate for public office, and a Federal representative, I have no doubt that reform of the current system of financing campaigns is appropriate and necessary. My certainty in this regard hovers around several tenets of reform.

The first is fairness. We should create fairness by equalizing the amount groups of like-minded individuals may contribute with what individuals may give to a candidate. We should ensure strictly voluntary participation in the political process, so that American workers are not unfairly forced to finance a political agenda with which they may adamantly disagree.

The second principle is accountability. We must encourage Members of Congress to be more accountable to their constituents, not political committees, by requiring candidates, to raise the majority of their funds in-State and in-district.

Integrity is the third aspect, enhanced through the promotion of fair competition between incumbents and challengers by, for example, restricting the use of official mail—franking—allowances, and disallowing the bipartisan habit of fundraising while Congress is conducting legislative business. Finally, other reform is long overdue, such as the restoration of a $100 income tax deduction to taxpayers who participate in the political process.

Mr. Chairman, as we endeavor to restore the public's faith in the campaign finance system, the campaign process in this country simply must retain the ability to encourage good candidates to pursue public service. Elections for office must be competitive and characterized at all times by integrity. The Campaign Finance Reform Act has been a product of several hearings and a lively, yearlong discussion of the issue and is a first step toward that end. While a far from perfect bill, it makes a bold step in the right direction and provides an excellent starting point for serious and meaningful negotiations with our colleagues in the other body. This will be a process I will continue to pursue during the remainder of the 104th Congress and through Congresses to come. The American people deserve no less.

Mr. BEILENSON. Mr. Chairman, I rise to express my opposition to H.R. 3820, the Republican leadership's campaign finance bill, and in support of the substitute to be offered by the gentleman from California [Mr. FARR].

Although neither of the two proposals do enough to reduce the amount of special-interest money in congressional campaigns, the Farr substitute, with its aggregate limit on PAC contributions and on large donations from individuals, represents an enormous improvement over the existing system in that regard. The Republican proposal, in contrast, would actually increase the influence of wealthy individuals and special-interest groups in our electoral process.

But regardless of which proposal—if either—is passed by the House today, it won't matter because the Senate is not going to revisit the issue this year, and therefore a reform bill will not be signed into law.

Campaign finance reform is, without a doubt, the most important reform we could possibly make here in Congress. A campaign finance system that would lessen the role of special interests in our political and legislative process would make a bigger difference in the way Congress operates—and would do more to restore public trust in Congress—than any other change we could possibly make to this institution.

However, the dismal record on campaign finance reform from the years when Democrats controlled Congress, and the all-but-certain failure of the Republicans' effort this year, demonstrate that much more groundwork must be done to pass a reform bill and get it signed into law.

The experience of recent years has convinced many of us that we will not succeed with this issue unless we develop a campaign finance system that has bipartisan support. It is not impossible, in my view. But it is going to require the majority leadership to reach out to and work with the minority leadership in good faith.

I am also convinced that, unpopular as it may seem, part of the solution has to be the inclusion of a significant amount of public financing. That could take the form of direct Federal payments to candidates, vouchers for media and mail, requirements for free air time for candidates as part of broadcast licensing, or other means. There is simply no way congressional candidates will ever have adequate resources to run a viable campaign, and also be less influenced by campaign contributors, unless we have a system that includes public financing.

Providing some kind of public financing is our best hope for reducing the influence of special interests in our legislative process, promoting more competitive campaigns, and ensuring that people who do not have a large amount of personal wealth will have the opportunity to run for Congress.

Mr. Speaker, it is too late to enact campaign finance reform legislation this year. But I strongly urge the leadership of both parties to come together and begin working, now, on a bipartisan plan for reforming our campaign finance system that could be considered early in the next Congress. This issue is too important for the integrity of the legislative process, and for the trust people need to have in their elected officials for democracy to work, for either party to continue to pursue partisan campaign finance proposals that are only destined for failure.

The CHAIRMAN. All time for debate has expired.

Purusant to House Resolution 481, the bill is considered read for amendment under the 5-minute rule and amendment No. 1 printed in the appropriate place in the CONGRESSIONAL RECORD by the gentleman from California [Mr. THOMAS] is adopted.

The text of H.R. 3820, as amended, is as follows:

H.R. 3820

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Campaign Finance Reform Act of 1996''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—RESTORING CONTROL OF ELECTIONS TO INDIVIDUALS

Sec. 101. Requiring majority of House of Representatives candidate funds to come from individuals residing in district.
Sec. 102. Reduction in allowable contribution amounts for political action committees; revision of limitations on amounts of other contributions.
Sec. 103. Modification of limitations on contributions when candidates spend or contribute large amounts of personal funds.
Sec. 104. Indexing limits on contributions.
Sec. 105. Prohibition of leadership committees.
Sec. 106. Prohibiting bundling of contributions to candidates by political action committees and lobbyists.
Sec. 107. Definition of independent expenditures.
Sec. 108. Requirements for use of payroll deductions for contributions.

TITLE II—STRENGTHENING POLITICAL PARTIES

Sec. 201. Limitation amount for contributions to State political parties.
Sec. 202. Allowing political parties to offset funds carried over from previous elections.
Sec. 203. Prohibiting use of non-Federal funds in Federal elections.
Sec. 204. Permitting parties to have unlimited communication with members.
Sec. 205. Promoting State and local party volunteer and grassroots activity.

TITLE III—DISCLOSURE AND ENFORCEMENT

Sec. 301. Timely reporting and increased disclosure.
Sec. 302. Streamlining procedures and rules of Federal Election Commission.

TITLE IV—WORKER RIGHT TO KNOW

Sec. 401. Findings.
Sec. 402. Purpose.
Sec. 403. Worker choice.
Sec. 404. Worker consent.
Sec. 405. Worker notice.
Sec. 406. Disclosure to workers.
Sec. 407. Construction.
Sec. 408. Effective date.

TITLE V—GENERAL PROVISIONS

Sec. 501. Effective date.
Sec. 502. Severability.
Sec. 503. Expedited court review.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Our republican form of government is strengthened when voters choose their representatives in elections that are free of corruption or the appearance of corruption.

(2) Corruption or the appearance of corruption in elections may evidence itself in many ways:

(A) Voters who democratically elect representatives must believe they are fairly represented by those they elect. The current election laws have led many to believe that the interests of those who actually vote for their representatives are less important than those who cannot vote, but who can influence an election by their contributions to the candidates.

(B) Failure to disclose, or timely disclose, those who contribute and how much they contribute unnecessarily withholds information voters need to cast ballots with complete confidence, thereby increasing the belief of, or the appearance of, corruption.

(C) The diminishing role of political parties, despite parties' long-standing role in advancing broad national agendas, in assisting the election of party candidates, and in organizing members, has relatively enhanced groups that pursue narrower interests. This relative shift of influence has been interpreted by some as corrupting the election process.

(D) Complicated and obsolete election laws and rules discourage citizens from becoming candidates, allow for coerced involuntary payments for political purposes, fail to keep contribution amounts current with inflation, and fail to provide reasonable compensating

contribution limits for candidates who run against candidates who wish to exercise their constitutional right of spending their own resources. The current state of laws and rules is such that if they do not corrupt, at the very least they unduly hinder fair, honest, and competitive elections.

TITLE I—RESTORING CONTROL OF ELECTIONS TO INDIVIDUALS

SEC. 101. REQUIRING MAJORITY OF HOUSE OF REPRESENTATIVES CANDIDATE FUNDS TO COME FROM INDIVIDUALS RESIDING IN DISTRICT.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

''(i)(1) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress may not accept contributions with respect to an election cycle from persons other than local individual residents totaling in excess of the total of contributions accepted from local individual residents (as determined on the basis of the most recent information included in reports pursuant to section 304(d).

''(2) In determining the amount of contributions accepted by a candidate for purposes of this subsection, contributions of the candidate's personal funds shall be subject to the following rules:

''(A) To the extent that the amount of the contribution does not exceed the limitation on contributions made by an individual under subsection (a)(1)(A), such contribution shall be treated as any other contribution.

''(B) The portion (if any) of the contribution which exceeds the limitation on contributions which may be made by an individual under subsection (a)(1)(A) shall be allocated in accordance with paragraph (8).

''(3) In determining the amount of contributions accepted by a candidate for purposes of this subsection, contributions from a political party or a political party committee shall be allocated in accordance with paragraph (8).

''(4) In determining the amount of contributions accepted by a candidate for purposes of this subsection, any funds remaining in the candidate's campaign account after the filing of the post-general election report under section 304(a)(2)(A)(ii) for the most recent general election shall be allocated in accordance with paragraph (8).

''(5) In determining the amount of contributions accepted by a candidate for purposes of this subsection, any contributions accepted pursuant to subsection (j) which are from persons other than local individual residents shall be allocated in accordance with paragraph (8).

''(6)(A) Any candidate who accepts contributions that exceed the limitation under this subsection, as determined on the basis of information included in reports pursuant to section 304(d), shall pay to the Commission at the time of the filing of the report which contains the information, for deposit in the Treasury, an amount equal to 3 times the amount of the excess contributions (or, in the case of a candidate described in subparagraph (C), an amount equal to 5 times the amount of the excess contributions plus a civil penalty in an amount determined by the Commission).

''(B) Any amounts paid by a candidate under this paragraph shall be paid from contributions subject to the limitations and prohibitions of this title, including the limitation under this subsection.

''(C) A candidate described in this subparagraph is a candidate who accepts contributions that exceed the limitation under this subsection as of the last day of the period ending on the 20th day before an election or any period ending after such 20th day and before or on the 20th day after such election.

''(7) As used in this subsection, the term 'local individual resident' means an individual who resides in the congressional district involved.

''(8) For purposes of this subsection, any amounts allocated in accordance with this paragraph shall be allocated as follows:

''(A) 50 percent of such amounts shall be deemed to be contributions from local individual residents.

''(B) 50 percent of such amounts shall be deemed to be contributions from persons other than local individual residents.''.

(b) REPORTING REQUIREMENTS.—Section 304 of such Act (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(d) Each principal campaign committee of a candidate for the House of Representatives shall include the following information in reports filed under subsection (a)(2) and subsection (a)(6)(A):

''(1) With respect to each report filed under such subsection—

''(A) the total contributions received by the committee with respect to the election cycle involved from local individual residents (as defined in section 315(i)(7)), as of the last day of the period covered by the report;

''(B) the total contributions received by the committee with respect to the election cycle involved which are not from local individual residents, as of the last day of the period covered by the report; and

''(C) a certification as to whether the contributions reported comply with the limitation under section 315(i), as of the last day of the period covered by the report.

''(2) In the case of the first report filed under such subsection which covers the period which begins 19 days before an election and ends 20 days after the election—

''(A) the total contributions received by the committee with respect to the election cycle involved from local individual residents (as defined in section 315(i)(7)), as of the last day of such period;

''(B) the total contributions received by the committee with respect to the election cycle involved which are not from local individual residents, as of the last day of such period; and

''(C) a certification as to whether the contributions reported comply with the limitation under section 315(i), as of the last day of such period.''.

SEC. 102. REDUCTION IN ALLOWABLE CONTRIBUTION AMOUNTS FOR POLITICAL ACTION COMMITTEES; REVISION OF LIMITATIONS ON AMOUNTS OF OTHER CONTRIBUTIONS.

(a) REVISION OF CURRENT LIMITATIONS.—

(1) CONTRIBUTIONS BY MULTICANDIDATE POLITICAL COMMITTEES.—Section 315(a)(2) of such Act (2 U.S.C. 441a(a)(2)) is amended—

(A) in subparagraphs (A) and (C), by striking ''$5,000'' and inserting ''$2,500''; and

(B) in subparagraph (B), by striking ''$15,000'' and inserting ''$40,000''.

(2) CONTRIBUTIONS BY INDIVIDUALS.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(A) in subparagraph (C), by striking ''$5,000'' and inserting ''$2,500''; and

(B) in subparagraph (B), by striking ''$20,000'' and inserting ''$40,000''.

(3) AGGREGATE ANNUAL CONTRIBUTION BY INDIVIDUALS.—Section 315(a)(3) of such Act (2 U.S.C. 441a(a)(3)) is amended by striking ''$25,000'' and inserting ''$50,000''.

(b) LIMITATIONS ON CONTRIBUTIONS BY POLITICAL PARTY COMMITTEES.—

(1) IN GENERAL.—Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended—

(A) by redesignating paragraphs (3) through (8) as paragraphs (4) through (9); and

(B) by inserting after paragraph (2) the following new paragraph:

''(3) No political party committee may make contributions—

''(A) to any candidate or the candidate's authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $10,000; or

''(B) to any other political committees other than a political party committee in any calendar year which, in the aggregate, exceed $10,000.''.

(2) CONFORMING AMENDMENTS.—Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended—

(A) in paragraph (5) (as redesignated by paragraph (1)(A)), by striking ''paragraphs (1) and (2)'' and inserting ''paragraphs (1), (2), and (3)'';

(B) in paragraph (6) (as redesignated by paragraph (1)(A)), by striking ''paragraph (1) and paragraph (2)'' each place it appears and inserting ''paragraphs (1), (2), and (3)''; and

(C) in paragraph (7) (as redesignated by paragraph (1)(A)), by striking ''paragraphs (1), (2), and (3)''.

(c) POLITICAL PARTY COMMITTEE DEFINED.—Section 315(a)(5) of such Act (2 U.S.C. 441a(a)(4)) (as redesignated by subsection (b)(1)(A)) is amended by adding at the end the following sentence: ''For purposes of this section, the term 'political party committee' means a political committee which is a national, State, district, or local political party committee (including any subordinate committee thereof).''.

(d) OTHER CONFORMING AMENDMENTS.—Section 311(a)(6) of such Act (2 U.S.C. 438(a)(6)) is amended—

(1) in subparagraph (B), by inserting after ''multi-candidate committees'' the first place it appears the following: ''and political committees which are not authorized committees of candidates or political party committees'';

(2) in subparagraph (B), by striking ''multicandidate committees'' the second place it appears and inserting ''such committees''; and

(3) in subparagraph (C), by striking ''multicandidate committees'' and inserting ''committees described in subparagraph (B)''.

SEC. 103. MODIFICATION OF LIMITATIONS ON CONTRIBUTIONS WHEN CANDIDATES SPEND OR CONTRIBUTE LARGE AMOUNTS OF PERSONAL FUNDS.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by section 101(a), is further amended by adding at the end the following new subsection:

''(j)(1) Notwithstanding subsection (a), if in a general election a House candidate makes expenditures of personal funds (including contributions by the candidate to the candidate's authorized campaign committee) in an amount in excess of the amount of the limitation established under subsection (a)(1)(A) and less than or equal to $150,000 (as reported under section 304(a)(2)(A)), a political party committee may make contributions to an opponent of the House candidate without regard to any limitation otherwise applicable to such contributions under subsection (a), except that the opponent may not accept aggregate contributions under this paragraph in an amount greater than the greatest amount of personal funds expended (including contributions to the candidate's authorized campaign committee) by any House candidate (other than such opponent) with respect to the election (as reported in a notification submitted under section 304(a)(6)(B)).

''(2) If a House candidate makes expenditures of personal funds (including contributions by the candidate to the candidate's authorized campaign committee) with respect

to an election in an amount greater than $150,000 (as reported under section 304(a)(2)(A)), the following rules shall apply:

''(A) In the case of a general election, the limitations under subsections (a)(1), (a)(2), and (a)(3) (insofar as such limitations apply to political party committees and to individuals, and to other political committees to the extent that the amount contributed does not exceed 10 times the amount of the limitation otherwise applicable under such subsection) shall not apply to contributions to the candidate or to any opponent of the candidate, except that neither the candidate or any opponent may accept aggregate contributions under this subparagraph and paragraph (1) in an amount greater than the greatest amount of personal funds (including contributions to the candidate's authorized campaign committee) expended by any House candidate with respect to the election (as reported in a notification submitted under section 304(a)(6)(B)).

''(B) In the case of an election other than a general election, the limitations under subsection (a)(1) and (a)(2) (insofar as such limitations apply to individuals and to political committees other than political party committees to the extent that the amount contributed does not exceed 10 times the amount of the limitation otherwise applicable under such subsection) shall not apply to contributions to the candidate or to any opponent of the candidate, except that neither the candidate or any opponent may accept aggregate contributions under this subparagraph in an amount greater than the greatest amount of personal funds (including contributions to the candidate's authorized campaign committee) expended by any House candidate with respect to the election (as reported in a notification submitted under section 304(a)(6)(B)).

''(3) In this subsection, the term 'House candidate' means a candidate in an election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress.''.

(b) NOTIFICATION OF EXPENDITURES OF PERSONAL FUNDS.—Section 304(a)(6) of such Act (2 U.S.C. 434(a)(6)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) by inserting after subparagraph (A) the following new subparagraph:

''(B)(i) The principal campaign committee of a House candidate (as defined in section 315(j)(3)) shall submit the following notifications relating to expenditures of personal funds by such candidate (including contributions by the candidate to such committee):

''(I) A notification of the first such expenditure (or contribution) by which the aggregate amount of personal funds expended (or contributed) with respect to an election exceeds the amount of the limitation established under section 315(a)(1)(A) for elections in the year involved.

''(II) A notification of each such expenditure (or contribution) which, taken together with all such expenditures (and contributions) in any amount not included in the most recent report under this subparagraph, totals $5,000 or more.

''(III) A notification of the first such expenditure (or contribution) by which the aggregate amount of personal funds expended with respect to the election exceeds the level applicable under section 315(j)(2) for elections in the year involved.

''(ii) Each of the notifications submitted under clause (i)—

''(I) shall be submitted not later than 24 hours after the expenditure or contribution which is the subject of the notification is made;

''(II) shall include the name of the candidate, the office sought by the candidate, and the date of the expenditure or contribution and amount of the expenditure or contribution involved; and

''(III) shall include the total amount of all such expenditures and contributions made with respect to the same election as of the date of expenditure or contribution which is the subject of the notification.''.

SEC. 104. INDEXING LIMITS ON CONTRIBUTIONS.

(a) IN GENERAL.—Section 315(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is amended by adding at the end the following new paragraph:

''(3)(A) The amount of each limitation established under subsection (a) shall be adjusted as follows:

''(i) For calendar year 1999, each such amount shall be equal to the amount described in such subsection, increased (in a compounded manner) by the percentage increase in the price index (as defined in subsection (c)(2)) for 1997 and 1998.

''(ii) For calendar year 2001 and each second subsequent year, each such amount shall be equal to the amount for the second previous year (as adjusted under this subparagraph), increased (in a compounded manner) by the percentage increase in the price index for the previous year and the second previous year.

''(B) In the case of any amount adjusted under this subparagraph which is not a multiple of $500, the amount shall be rounded to the nearest highest multiple of $500.''.

(b) APPLICATION OF INDEXING TO SUPPORT OF CANDIDATE'S COMMITTEES.—Section 302(e)(3)(B) of such Act (2 U.S.C. 432(e)(3)(B)) is amended by adding at the end the following new sentence: ''The amount described in the previous sentence shall be adjusted (for years beginning with 1997) in the same manner as the amounts of limitations on contributions under section 315(a) are adjusted under section 315(c)(3).''.

(c) APPLICATION OF INDEXING TO PROVISIONS RELATING TO PERSONAL FUNDS.—

(1) IN GENERAL.—Section 315(j) of such Act (2 U.S.C. 441a(j)), as added by section 103(a), is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

''(3) Each of the amounts provided under paragraph (1) or (2) shall be adjusted for each biennial period beginning after the 1998 general election in the same manner as the amounts of limitations on contributions established under subsection (a) are adjusted under subsection (c)(3).''.

(2) CONFORMING AMENDMENT.—Section 304(a)(6)(B)(i) of such Act (2 U.S.C. 434(a)(6)(B)(i)), as added by section 103(b), is amended by striking ''section 315(j)(3)'' and inserting ''section 315(j)(4)''.

SEC. 105. PROHIBITION OF LEADERSHIP COMMITTEES.

(a) LEADERSHIP COMMITTEE PROHIBITION.—Section 302 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following new subsection:

''(j) A candidate for Federal office or an individual holding Federal office may not establish, maintain, finance, or control a political committee, other than a principal campaign committee of the candidate or the individual.''.

(b) CONFORMING AMENDMENT RELATING TO JOINT FUNDRAISING.—Section 302(e)(3)(A) of such Act (2 U.S.C. 432(e)(3)) is amended by striking ''except that—'' and all that follows and inserting the following: ''except that the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee, but only if that national committee maintains separate books of account with respect to its function as a principal campaign committee.''.

(c) EFFECTIVE DATE; TRANSITION RULE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to elections occurring in years beginning with 1997.

(2) TRANSITION RULE.—

(A) IN GENERAL.—Notwithstanding section 302(j) of the Federal Election Campaign Act of 1971 (as added by subsection (a)), if a political committee established, maintained, financed, or controlled by a candidate for Federal office or an individual holding Federal office (other than a principal campaign committee of the candidate or individual) with respect to an election occurring during 1996 has funds remaining unexpended after the 1996 general election, the committee may make contributions or expenditures of such funds with respect to elections occurring during 1997 or 1998.

(B) DISBANDING COMMITTEES; TREATMENT OF REMAINING FUNDS.—Any political committee described in subparagraph (A) shall be disbanded after filing any post-election reports required under section 304 of the Federal Election Campaign Act of 1971 with respect to the 1998 general election. Any funds of such a committee which remain unexpended after the 1998 general election and before the date on which the committee disbands shall be returned to contributors or available for any lawful purpose other than use by the candidate or individual involved with respect to an election for Federal office.

SEC. 106. PROHIBITING BUNDLING OF CONTRIBUTIONS TO CANDIDATES BY POLITICAL ACTION COMMITTEES AND LOBBYISTS.

Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c)(1) No political action committee or person required to register under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) may act as an intermediary or conduit with respect to a contribution to a candidate for Federal office.

''(2) In this subsection, the term 'political action committee' means any political committee which is not—

''(A) the principal campaign committee of a candidate; or

''(B) a political party committee.''.

SEC. 107. DEFINITION OF INDEPENDENT EXPENDITURES.

Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17)(A) The term 'independent expenditure' means an expenditure by a person for a communication expressly advocating the election or defeat of a clearly identified candidate which is not made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of such candidate.

''(B) For purposes of this paragraph—

''(i) 'expressly advocating the election or defeat' means the use in the communication of explicit words such as 'vote for', 'reelect', 'support', 'cast your ballot for', 'vote against', 'defeat', or 'reject', accompanied by a reference in the communication to one or more clearly identified candidates, or words such as 'vote' for or against a position on an issue, accompanied by a listing in the communication of one or more clearly identified candidates described as for or against a position on that issue;

''(ii) 'which is not made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of such candidate' refers to the expenditure in question for the communication made by the person; and

''(iii) the term 'agent' means any person who has actual oral or written authority, either express or implied, to make or authorize the making of expenditures on behalf of a candidate.

''(C) An expenditure by a person for a communication which does not contain explicit words expressly advocating the election or defeat of a clearly identified candidate shall not be considered an independent expenditure.''.

SEC. 108. REQUIREMENTS FOR USE OF PAYROLL DEDUCTIONS FOR CONTRIBUTIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

''USE OF PAYROLL DEDUCTIONS FOR CONTRIBUTIONS

''SEC. 323. (a) REQUIREMENTS FOR AUTHORIZATION OF DEDUCTION.—

''(1) IN GENERAL.—No amounts withheld from an individual's wages or salary during a year may be used for any contribution under this title unless there is in effect an authorization in writing by the individual permitting the withholding of such amounts for the contribution.

''(2) PERIOD OF AUTHORIZATION.—An authorization described in this subsection may be in effect with respect to an individual for such period as the individual may specify (subject to cancellation under paragraph (3)), except that the period may not be longer than 12 months.

''(3) RIGHT OF CANCELLATION.—An individual with an authorization in effect under this subsection may cancel or revise the authorization at any time.

''(b) INFORMATION PROVIDED BY WITHHOLDING ENTITY.—

''(1) IN GENERAL.—Each entity withholding wages or salary from an individual with an authorization in effect under subsection (a) shall provide the individual with a statement that the individual may at any time cancel or revise the authorization in accordance with subsection (a)(3).

''(2) TIMING OF NOTICE.—The entity shall provide the information described in paragraph (1) to an individual at the beginning of each calendar year occurring during the period in which the individual's authorization is in effect.''.

TITLE II—STRENGTHENING POLITICAL PARTIES

SEC. 201. LIMITATION AMOUNT FOR CONTRIBUTIONS TO STATE POLITICAL PARTIES.

Paragraphs (1)(B) and (2)(B) of section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) are each amended by inserting after ''national'' the following: ''or State''.

Page 47, line 6, strike ''Section 315(a)(3)'' and all that follows through ''is amended'' and insert the following: ''Section 315(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(4)) (as redesignated by section 102(b)(1)(A)) is amended''.

SEC. 202. ALLOWING POLITICAL PARTIES TO OFFSET FUNDS CARRIED OVER FROM PREVIOUS ELECTIONS.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 101 and 103(a), is further amended by adding at the end the following new subsection:

''(k)(1) Subject to paragraph (2), if, in a general election for Federal office, a candidate who is the incumbent uses campaign funds carried forward from an earlier election cycle, any political party committee may make contributions to the nominee of that political party to match the funds so carried forward by such incumbent. For purposes of this paragraph, funds shall be considered to have been carried forward if the funds represent cash on hand as reported in the applicable post-general election report filed under section 304(a) for the general election involved, plus any amount expended on or before the filing of the report for a later election, less legitimate outstanding debts relating to the previous election up to the amount reported.

''(2) The political party contributions under paragraph (1) may be made without regard to any limitation amount otherwise applicable to such contributions made under subsections (a) or (i), but a candidate may not accept contributions under this subsection in excess of the total of funds carried forward by the incumbent candidate.''.

SEC. 203. PROHIBITING USE OF NON-FEDERAL FUNDS IN FEDERAL ELECTIONS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 108, is further amended by adding at the end the following new section:

''RESTRICTIONS ON USE OF NON-FEDERAL FUNDS

''SEC. 324. (a) PROHIBITING USE OF FUNDS IN FEDERAL ELECTIONS.—No funds may be expended by a political party committee for the purpose of influencing an election for Federal office unless the funds are subject to the limitations and prohibitions of this Act, except as may be provided in this section.

''(b) RESTRICTIONS ON USE OF FUNDS FOR MIXED ACTIVITIES.—

''(1) PROHIBITING USE BY NATIONAL PARTY COMMITTEES.—A national committee of a political party (including any subordinate committee thereof) may not use any funds which are not subject to the limitations and prohibitions of this Act for any mixed activity.

''(2) MIXED ACTIVITY DEFINED.—In this subsection, the term 'mixed activity' means any activity which is both for the purpose of influencing an election for Federal office and for any purpose unrelated to influencing an election for Federal office, including voter registration, absentee ballot programs, and get-out-the-vote programs, but does not include the payment of any administrative or overhead costs, including salaries (other than payments made to individuals for get-out-the-vote activities conducted on the day of an election), rent, fundraising, or communications to members of a political party.

''(c) RESTRICTIONS ON USE OF FUNDS FOR MIXED CANDIDATE-SPECIFIC ACTIVITIES.—

''(1) REQUIRING ALLOCATION AMONG CANDIDATES.—A political party committee may use funds which are not subject to the limitations and prohibitions of this Act for mixed candidate-specific activities if the funds are allocated among the candidates involved on the basis of the time and space allocated to the candidates.

''(2) MIXED CANDIDATE-SPECIFIC ACTIVITY DEFINED.—In this subsection, the term 'mixed candidate-specific activity' means any activity which is both for the purpose of promoting a specific candidate or candidates in an election for Federal office and for the purpose of promoting a specific candidate or candidates in any other election.''.

SEC. 204. PERMITTING PARTIES TO HAVE UNLIMITED COMMUNICATION WITH MEMBERS.

(a) IN GENERAL.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended by adding at the end the following new paragraph:

''(4)(A) For purposes of applying the limitations established under paragraphs (2) and (3), in determining the amount of expenditures made by a national committee of a political party or a State committee of a political party (including any subordinate committee of a State committee), there shall be excluded any amounts expended by the committee for communications to the extent the communications are made to members of the party.

''(B) For purposes of subparagraph (A), an individual shall be considered to be a 'member' of a political party if any of the following apply:

''(i) The individual is registered to vote as a member of the party.

''(ii) There is a public record that the individual voted in the primary of the party during the most recent primary election.

''(iii) The individual has made a contribution to the party and the contribution has been reported to the Commission (in accordance with this Act) or to a State reporting agency.

''(iv) The individual has indicated in writing that the individual is a member of the party.''.

(b) FUNDS AVAILABLE FOR PARTY COMMUNICATIONS.—Section 324 of such Act, as added by section 203, is amended by adding at the end the following new subsection:

''(d) FUNDS FOR PARTY COMMUNICATIONS WITH MEMBERS.—Subsection (a) shall not apply with respect to funds expended by a political party for communications to the extent the communications are made to members of the party (as determined in accordance with section 315(d)(4)), except that any communications which are both for the purpose of expressly advocating the election or defeat of a specific candidate for election to Federal office and for any other purpose shall be subject to allocation in the same manner as funds expended for mixed candidate-specific activities under subsection (c).''.

SEC. 205. PROMOTING STATE AND LOCAL PARTY VOLUNTEER AND GRASSROOTS ACTIVITY.

(a) ENCOURAGING STATE AND LOCAL PARTY ACTIVITIES.—

(1) CONTRIBUTIONS.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(A) by striking ''and'' at the end of clause (xiii);

(B) by striking the period at the end of clause (xiv) and inserting ''; and''; and

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

''(xv) the payment by a State or local committee of a political party for any of the following activities:

''(I) The listing of the slate of the party's candidates, including the communication of the slate to the public.

''(II) The mailing of materials for or on behalf of specific candidates by volunteers (including labeling envelopes or affixing postage or other indicia to particular pieces of mail), other than the mailing of materials to a commercial list.

''(III) Conducting a telephone bank for or on behalf of specific candidates staffed by volunteers.

''(IV) The distribution of collateral materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) for or on behalf of specific candidates (whether by volunteers or otherwise).''.

(2) EXPENDITURES.—Section 301(9)(B) of such Act (2 U.S.C. 431(9)(B)) is amended—

(A) by striking ''and'' at the end of clause (ix);

(B) by striking the period at the end of clause (x) and inserting ''; and''; and

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

''(xi) the payment by a State or local committee of a political party for any of the following activities:

''(I) The listing of the slate of the party's candidates, including the communication of the slate to the public.

''(II) The mailing of materials for or on behalf of specific candidates by volunteers (including labeling envelopes or affixing postage or other indicia to particular pieces of mail), other than the mailing of materials to a commercial list.

''(III) Conducting a telephone bank for or on behalf of specific candidates staffed by volunteers.

''(IV) The distribution of collateral materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) for or on behalf of specific candidates (whether by volunteers or otherwise).''.

(3) CONFORMING AMENDMENTS.—(A) Section 301(8)(B)(x) of such Act (2 U.S.C. 431(8)(B)(x)) is amended by striking ''in connection with volunteer activities on behalf of nominees of such party'' and inserting ''in connection with State or local activities, other than any payment described in clause (xv)''.

(B) Section 301(9)(B)(viii) of such Act (2 U.S.C. 431(9)(B)(viii)) is amended by striking ''in connection with volunteer activities on behalf of nominees of such party'' and inserting ''in connection with State or local activities, other than any payment described in clause (xi)''.

(b) FUNDS AVAILABLE FOR ACTIVITIES.—

(1) PERMITTING USE OF NON-FEDERAL FUNDS FOR MIXED ACTIVITIES.—Section 324(b) of such Act, as added by section 203, is amended—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by inserting after paragraph (1) the following new paragraph:

''(2) USE BY STATE OR LOCAL PARTY COMMITTEES.—A State, local, or district committee of a political party (including any subordinate committee thereof) may use funds which are not subject to the limitations and prohibitions of this Act for mixed activity if the funds are allocated in accordance with the process described in subsection (g).''.

(2) FUNDS AVAILABLE FOR STATE AND LOCAL PARTIES.—Section 324 of such Act, as added by section 203 and as amended by section 204(b), is amended by adding at the end the following new subsection:

''(e) FUNDS AVAILABLE FOR STATE AND LOCAL PARTY VOLUNTEER AND GRASSROOTS ACTIVITIES.—Subsection (a) shall not apply with respect to payments described in section 301(8)(B)(xv) or section 301(9)(B)(xi), except that any payments which are both for the purpose of expressly advocating the election or defeat of a specific candidate for election to Federal office and for any other purpose shall be subject to allocation in the same manner as funds expended for mixed candidate-specific activities under subsection (c).''.

(3) TREATMENT OF INTRA-PARTY TRANSFERS.—Section 324 of such Act, as added by section 203 and as amended by section 204(b) and paragraph (2), is amended by adding at the end the following new subsection:

''(f) RULE OF CONSTRUCTION REGARDING INTRA-PARTY TRANSFERS.—Nothing in this section shall be construed to prohibit the transfer between and among national, State, or local party committees (including any subordinate committees thereof) of funds which are not subject to the limitations and prohibitions of this Act.''.

(4) ALLOCATION PROCEDURES DESCRIBED.—Section 324 of such Act, as added by section 203 and as amended by section 204(b) and paragraphs (2) and (3), is amended by adding at the end the following new subsection:

''(g) STATE AND LOCAL PARTY COMMITTEES; METHOD FOR ALLOCATING EXPENDITURES FOR MIXED ACTIVITIES.—

''(1) GENERAL RULE.—All State and local party committees except those covered by paragraph (2) shall allocate their expenses for mixed activities, as described in subsection (b)(2), according to the ballot composition method described as follows:

''(A) Under this method, expenses shall be allocated based on the ratio of Federal offices expected on the ballot to total Federal and non-Federal offices expected on the ballot in the next general election to be held in the committee's State or geographic area. This ratio shall be determined by the number of categories of Federal offices on the ballot and the number of categories of non-Federal offices on the ballot, as described in subparagraph (B).

''(B) In calculating a ballot composition ratio, a State or local party committee shall count the Federal offices of President, United States Senator, and United States Representative, if expected on the ballot in the next general election, as one Federal office each. The committee shall count the non-Federal offices of Governor, State Senator, and State Representative, if expected on the ballot in the next general election, as one non-Federal office each. The committee shall count the total of all other partisan statewide executive candidates, if expected on the ballot in the next general election, as a maximum of two non-Federal offices. State party committees shall also include in the ratio one additional non-Federal office if any partisan local candidates are expected on the ballot in any regularly scheduled election during the 2 year congressional election cycle. Local party committees shall also include in the ratio a maximum of 2 additional non-Federal offices if any partisan local candidates are expected on the ballot in any regularly scheduled election during the 2 year congressional election cycle. State and local party committees shall also include in the ratio 1 additional non-Federal office.

''(2) EXCEPTION FOR STATES THAT DO NOT HOLD FEDERAL AND NON-FEDERAL ELECTIONS IN THE SAME YEAR.—State and local party committees in states that do not hold Federal and non-Federal elections in the same year shall allocate the costs of mixed activities according to the ballot composition method described in paragraph (1), based on a ratio calculated for that calendar year.''.

TITLE III—DISCLOSURE AND ENFORCEMENT

SEC. 301. TIMELY REPORTING AND INCREASED DISCLOSURE.

(a) DEADLINE FOR FILING.—

(1) REQUIRING REPORTS FOR ALL CONTRIBUTIONS MADE WITHIN 20 DAYS OF ELECTION; REQUIRING REPORTS TO BE MADE WITHIN 24 HOURS.—Section 304(a)(6)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)(A)) is amended—

(A) by striking ''after the 20th day, but more than 48 hours before any election'' and inserting ''during the period which begins on the 20th day before an election and ends at the time the polls close for such election''; and

(B) by striking ''48 hours'' the second place it appears and inserting the following: ''24 hours (or, if earlier, by midnight of the day on which the contribution is deposited)''.

(2) REQUIRING ACTUAL DELIVERY BY DEADLINE.—

(A) IN GENERAL.—Section 304(a)(6) of such Act (2 U.S.C. 434(a)(6)), as amended by section 103(b), is further amended by adding at the end the following new subparagraph:

''(D) Notwithstanding paragraph (5), the time at which a notification or report under this paragraph is received by the Secretary, the Commission, or any other recipient to whom the notification is required to be sent shall be considered the time of filing of the notification or report with the recipient.''.

(B) CONFORMING AMENDMENT.—Section 304(a)(5) of such Act (2 U.S.C. 434(a)(5)) is amended by striking ''paragraph (2)(A)(i) or (4)(A)(ii)'' and inserting ''paragraphs (2)(A)(i), (4)(A)(ii), or (6))''.

(b) INCREASING ELECTRONIC DISCLOSURE.—Section 304(a)(6) of such Act (2 U.S.C. 434(a)(6)), as amended by section 103(b) and subsection (a)(2)(A), is further amended by adding at the end the following new subparagraph:

''(E)(i) The Commission shall make the information contained in the reports submitted under this paragraph available on the Internet and publicly available at the offices of the Commission as soon as practicable (but in no case later than 24 hours) after the information is received by the Commission.

''(ii) In this subparagraph, the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet-switched data networks.''.

(c) CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.—Section 304(b) of such Act (2 U.S.C. 434(b)) is amended by inserting ''(or election cycle, in the case of an authorized committee of a candidate for Federal office)'' after ''calendar year'' each place it appears in paragraphs (2), (3), (4), (6), and (7).

(d) CLARIFICATION OF PERMISSIBLE USE OF FACSIMILE MACHINES TO FILE REPORTS.—Section 304(a)(11)(A) of such Act (2 U.S.C. 434(a)(11)) is amended by striking ''method,'' and inserting ''method (including by facsimile device in the case of any report required to be filed within 24 hours after the transaction reported has occurred),''.

(e) REQUIRING RECEIPT OF INDEPENDENT EXPENDITURE REPORTS WITHIN 24 HOURS.—

(1) IN GENERAL.—Section 304(c)(2) of such Act (2 U.S.C. 434(c)(2)) is amended in the matter following subparagraph (C)—

(A) by striking ''shall be reported'' and inserting ''shall be filed''; and

(B) by adding at the end the following new sentence: ''Notwithstanding subsection (a)(5), the time at which the statement under this subsection is received by the Secretary, the Commission, or any other recipient to whom the notification is required to be sent shall be considered the time of filing of the statement with the recipient.''.

(2) CONFORMING AMENDMENT.—Section 304(a)(5) of such Act (2 U.S.C. 434(a)(5)), as amended by subsection (a)(2)(B), is further amended by striking ''or (6)'' and inserting ''or (6), or subsection (c)(2)''.

(f) REQUIRING RECORD KEEPING AND REPORT OF SECONDARY PAYMENTS BY CAMPAIGN COMMITTEES.—

(1) REPORTING.—Section 304(b)(5)(A) of such Act (2 U.S.C. 434(b)(5)(A)) is amended by striking the semicolon at the end and inserting the following: '', and, if such person in turn makes expenditures which aggregate $500 or more in an election cycle to other persons (not including employees) who provide goods or services to the candidate or the candidate's authorized committees, the name and address of such other persons, together with the date, amount, and purpose of such expenditures;''.

(2) RECORD KEEPING.—Section 302 of such Act (2 U.S.C. 432), as amended by section 105(a), is further amended by adding at the end the following new subsection:

''(k) A person described in section 304(b)(5)(A) who makes expenditures which aggregate $500 or more in an election cycle to other persons (not including employees) who provide goods or services to a candidate or a candidate's authorized committees shall

provide to a political committee the information necessary to enable the committee to report the information described in such section.''.

(3) NO EFFECT ON OTHER REPORTS.—Nothing in the amendments made by this subsection may be construed to affect the terms of any other recordkeeping or reporting requirements applicable to candidates or political committees under title III of the Federal Election Campaign Act of 1971.

(g) INCLUDING REPORT ON CUMULATIVE CONTRIBUTIONS AND EXPENDITURES IN POST ELECTION REPORTS.—Section 304(a)(7) of such Act (2 U.S.C. 434(a)(7)) is amended—

(1) by striking ''(7)'' and inserting ''(7)(A)''; and

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

''(B) In the case of any report required to be filed by this subsection which is the first report required to be filed after the date of an election, the report shall include a statement of the total contributions received and expenditures made as of the date of the election.''.

(h) INCLUDING INFORMATION ON AGGREGATE CONTRIBUTIONS IN REPORT ON ITEMIZED CONTRIBUTIONS.—Section 304(b)(3) of such Act (2 U.S.C. 434(b)(3)) is amended—

(1) in subparagraph (A), by inserting after ''such contribution'' the following: ''and the total amount of all such contributions made by such person with respect to the election involved''; and

(2) in subparagraph (B), by inserting after ''such contribution'' the following: ''and the total amount of all such contributions made by such committee with respect to the election involved''.

SEC. 302. STREAMLINING PROCEDURES AND RULES OF FEDERAL ELECTION COMMISSION.

(a) STANDARDS FOR COMMISSION REGULATION AND JUDICIAL INTERPRETATION.—Section 307 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437d) is amended by adding at the end the following new subsection:

''(f)(1) When developing prescribed forms and making, amending, or repealing rules pursuant to the authority granted to the Commission by subsection (a)(8), the Commission shall act in a manner that will have the least restrictive effect on the rights of free speech and association so protected by the First Article of Amendment to the Constitution of the United States.

''(2) When the Commission's actions under paragraph (1) are challenged, a reviewing court shall hold unlawful and set aside any actions of the Commission that do not conform with the principles set forth in paragraph (1).''.

(b) WRITTEN RESPONSES TO QUESTIONS.—

(1) IN GENERAL.—Title III of such Act (2 U.S.C. 431 et seq.) is amended by inserting after section 308 the following new section:

''OTHER WRITTEN RESPONSES TO QUESTIONS

''SEC. 308A. (a) PERMITTING RESPONSES.—In addition to issuing advisory opinions under section 308, the Commission shall issue written responses pursuant to this section with respect to a written request concerning the application of this Act, chapter 95 or chapter 96 of the Internal Revenue Code of 1986, a rule or regulation prescribed by the Commission, or an advisory opinion issued by the Commission under section 308, with respect to a specific transaction or activity by the person, if the Commission finds the application of the Act, chapter, rule, regulation, or advisory opinion to the transaction or activity to be clear and unambiguous.

''(b) PROCEDURE FOR RESPONSE.—

''(1) ANALYSIS BY STAFF.—The staff of the Commission shall analyze each request submitted under this section. If the staff believes that the standard described in subsection (a) is met with respect to the request, the staff shall circulate a statement to that effect together with a draft response to the request to the members of the Commission.

''(2) ISSUANCE OF RESPONSE.—Upon the expiration of the 3-day period beginning on the date the statement and draft response is circulated (excluding weekends or holidays), the Commission shall issue the response, unless during such period any member of the Commission objects to issuing the response.

''(c) EFFECT OF RESPONSE.—

''(1) SAFE HARBOR.—Notwithstanding any other provisions of law, any person who relies upon any provision or finding of a written response issued under this section and who acts in good faith in accordance with the provisions and findings of such response shall not, as a result of any such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1986.

''(2) NO RELIANCE BY OTHER PARTIES.—Any written response issued by the Commission under this section may only be relied upon by the person involved in the specific transaction or activity with respect to which such response is issued, and may not be applied by the Commission with respect to any other person or used by the Commission for enforcement or regulatory purposes.

''(d) PUBLICATION OF REQUESTS AND RESPONSES.—The Commission shall make public any request for a written response made, and the responses issued, under this section. In carrying out this subsection, the Commission may not make public the identity of any person submitting a request for a written response unless the person specifically authorizes to Commission to do so.

''(e) COMPILATION OF INDEX.—The Commission shall compile, publish, and regularly update a complete and detailed index of the responses issued under this section through which responses may be found on the basis of the subjects included in the responses.''.

(2) CONFORMING AMENDMENT.—Section 307(a)(7) of such Act (2 U.S.C. 437d(a)(7)) is amended by striking ''of this Act'' and inserting ''and other written responses under section 308A''.

(c) OPPORTUNITY FOR ORAL ARGUMENTS BEFORE COMMISSION.—Section 309(a)(3) of such Act (2 U.S.C. 437g(a)(3)) is amended—

(1) by striking ''(3)'' and inserting ''(3)(A)''; and

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

''(B) If a respondent submits a brief under subparagraph (A), the respondent may submit (at the time of submitting the brief) a request to present an oral argument in support of the respondent's brief before the Commission. If at least 2 members of the Commission approve of the request, the respondent shall be permitted to appear before the Commission in open session and make an oral presentation in support of the brief and respond to questions of members of the Commission. Such appearance shall take place at a time specified by the Commission during the 30-day period which begins on the date the request is approved, and the Commission may limit the length of the respondent's appearance to such period of time as the Commission considers appropriate. Any information provided by the respondent during the appearance shall be considered by the Commission before proceeding under paragraph (4).''.

(d) INDEX OF ADVISORY OPINIONS.—

(1) IN GENERAL.—Section 308 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437f) is amended by adding at the end the following new subsection:

''(e) The Commission shall compile, publish, and regularly update a complete and detailed index of the advisory opinions issued under this section through which opinions may be found on the basis of the subjects included in the opinions.''.

(2) EFFECTIVE DATE.—The Federal Election Commission shall first publish the index of advisory opinions described in section 308(e) of the Federal Election Campaign Act of 1971 (as added by paragraph (1)) not later than 60 days after the date of the enactment of this Act.

(e) STANDARD FOR INITIATION OF ACTIONS.—Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking ''it has reason to believe'' and all that follows through ''of 1954,'' and inserting the following: ''it has a reason to investigate a possible violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 that has occurred or is about to occur (based on the same criteria applicable under this paragraph prior to the enactment of the Campaign Finance Reform Act of 1996),''.

(f) APPLICATION OF AGGREGATE CONTRIBUTION LIMIT ON CALENDAR YEAR BASIS DURING NON-ELECTION YEARS.—Section 315(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(4) as redesignated by section 102(b)(1)(A)) is amended.

(g) REPEAL REPORT BY SECRETARY OF COMMERCE ON DISTRICT-SPECIFIC VOTING AGE POPULATION.—Section 315(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(e)) is amended by striking ''States, of each State, and of each congressional district'' and inserting ''States and of each State''.

(h) COMMERCIALLY REASONABLE LOANS NOT TO BE TREATED AS CONTRIBUTIONS BY LENDER.—Section 301(8)(B)(vii) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)(vii)) is amended—

(1) by striking ''or a depository'' and inserting ''a depository''; and

(2) by inserting after ''Administration,'' the following: ''or any other commercial lender,''.

(i) ABOLITION OF EX OFFICIO MEMBERSHIP OF CLERK OF HOUSE OF REPRESENTATIVES ON COMMISSION.—Section 306(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a)) is amended—

(1) in paragraph (1), by striking ''and the Clerk'' and all that follows through ''designees'' and inserting ''or the designee of the Secretary''; and

(2) in paragraphs (3), (4), and (5), by striking ''and the Clerk of the House of Representatives'' each place it appears.

(j) GRANTING COMMISSION AUTHORITY TO WAIVE REPORTING REQUIREMENTS.—Section 304 of such Act (2 U.S.C. 434), as amended by section 101(b), is further amended by adding at the end the following new subsection:

''(e) The Commission may by unanimous vote relieve any person or category of persons of the obligation to file any of the reports required by this section, or may change the due dates of any of the reports required by this section, if it determines that such action is consistent with the purposes of this title. The Commission may waive requirements to file reports or change due dates in accordance with this subsection through a rule of general applicability or, in a specific case, by notifying all the political committees involved.''.

(k) PERMITTING CORPORATIONS TO COMMUNICATE WITH ALL EMPLOYEES.—

(1) IN GENERAL.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking ''executive or administrative personnel'' each place it appears in paragraphs (2)(A), (2)(B), (4)(A)(i), (4)(D), and (5) and inserting ''officers or employees''.

(2) CONFORMING AMENDMENT.—Section 316(b) of such Act is amended by striking paragraph (7).

(l) PERMITTING UNLIMITED SOLICITATIONS BY CORPORATIONS OR LABOR ORGANIZATIONS; PROTECTING CONFIDENTIALITY OF CONTRIBUTIONS NOT GREATER THAN $100.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(3)), as amended by subsection (k)(2), is amended—

(1) in paragraph (4)(A), by striking ''(B), (C),'' and inserting ''(C)'';

(2) in paragraph (4)(A)(ii), by striking the period at the end and inserting the following: '', its officers or employees and their families, employees who are not members and their families, and officers, employees, or stockholders of a corporation (and their families) in which the labor organization represents members working for the corporation.'';

(3) in paragraph (4), by striking subparagraph (B); and

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

''(7)(A) Any corporation or labor organization (or separate segregated fund established by such a corporation or such a labor organization) making solicitations of contributions shall make such solicitations in a manner that ensures that the corporation, organization, or fund cannot determine who makes a contribution of $100 or less as a result of such solicitation and who does not make such a contribution.

''(B) Subparagraph (A) shall not apply with respect to any solicitation of contributions of a corporation from its stockholders.''.

(m) GREATER PROTECTION AGAINST FORCE AND REPRISALS.—Section 316(b)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(3)), is amended—

(1) by redesignating subparagraphs (A) through (C) as subparagraphs (B) through (D); and

(2) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

''(A) for such a fund to cause another person to make a contribution or expenditure by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal;''.

(n) REQUIRING COMPLAINANT TO PROVIDE NOTICE TO RESPONDENTS.—Section 309(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(1)) is amended by striking the third sentence and inserting the following: ''The complaint shall include the names and addresses of persons alleged to have committed such a violation. Within 5 days after receipt of the complaint, the Commission shall provide written notice of the complaint together with a copy of the complaint to each person described in the previous sentence, except that if the Commission determines that it is not necessary for a person described in the previous sentence to receive a copy of the complaint, the Commission shall provide the person with written notice that the complaint has been filed, together with written instructions on how to obtain a copy of the complaint without charge from the Commission.''.

(o) STANDARD FORM FOR COMPLAINTS; STRONGER DISCLAIMER LANGUAGE.—

(1) STANDARD FORM.—Section 309(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(1)) is amended by inserting after ''shall be notarized,'' the following: ''shall be in a standard form prescribed by the Commission, shall not include (but may refer to) extraneous materials,''.

(2) DISCLAIMER LANGUAGE.—Section 309(a)(1) of such Act (2 U.S.C. 437g(a)(1)) is amended—

(A) by striking ''(a)(1)'' and inserting ''(a)(1)(A)''; and

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

''(B) The written notice of a complaint provided by the Commission under subparagraph (A) to a person alleged to have committed a violation referred to in the complaint shall include a cover letter (in a form prescribed by the Commission) and the following statement: 'The enclosed complaint has been filed against you with the Federal Election Commission. The Commission has not verified or given official sanction to the complaint. The Commission will make no decision to pursue the complaint for a period of at least 15 days from your receipt of this complaint. You may, if you wish, submit a written statement to the Commission explaining why the Commission should take no action against you based on this complaint. If the Commission should decide to investigate, you will be notified and be given further opportunity to respond.'''.

(p) BANNING ACCEPTANCE OF CASH CONTRIBUTIONS GREATER THAN $100.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 101, 103(a)(1), and 202, is further amended by adding at the end the following new subsection:

''(l) No candidate or political committee may accept any contributions of currency of the United States or currency of any foreign country from any person which, in the aggregate, exceed $100.''.

(q) APPOINTMENT AND SERVICE OF STAFF DIRECTOR AND GENERAL COUNSEL OF COMMISSION.—

(1) APPOINTMENT; LENGTH OF TERM OF SERVICE.—

(A) IN GENERAL.—The first sentence of section 306(f)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(f)(1)) is amended by striking ''by the Commission'' and inserting the following: ''by an affirmative vote of not less than 4 members of the Commission and may not serve for a term of more than 4 consecutive years without reappointment in accordance with this paragraph''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to any individual serving as the staff director or general counsel of the Federal Election Commission on or after January 1, 1997, without regard to whether or not the individual served as staff director or general counsel prior to such date.

(2) TREATMENT OF INDIVIDUALS FILLING VACANCIES; TERMINATION OF AUTHORITY UPON EXPIRATION OF TERM.—Section 306(f)(1) of such Act (2 U.S.C. 437c(f)(1)) is amended by inserting after the first sentence the following new sentences: ''An individual appointed as a staff director or general counsel to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the individual he or she succeeds. An individual serving as staff director or general counsel may not serve in any capacity on behalf of the Commission after the expiration of the individual's term unless reappointed in accordance with this paragraph.''.

(3) APPOINTMENT OF ADDITIONAL STAFF.—

(A) IN GENERAL.—The last sentence of section 306(f)(1) of such Act (2 U.S.C. 437c(f)(1)) is amended by inserting ''not less than 4 members of'' after ''approval of''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to personnel appointed on or after January 1, 1997.

(r) ENCOURAGING CITIZEN GRASSROOTS ACTIVITY ON BEHALF OF FEDERAL CANDIDATES.—

(1) EXEMPTION OF INDIVIDUAL CONTRIBUTIONS UNDER $100.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)), as amended by section 205(a), is further amended—

(A) by striking ''and'' at the end of clause (xiv);

(B) by striking the period at the end of clause (xv) and inserting ''; and''; and

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

''(xvi) any payment of funds on behalf of a candidate (whether in cash or in kind, but not including a direct payment of cash to a candidate or a political committee of the candidate) by an individual from the individual's personal funds which in the aggregate does not exceed $100, if the funds are used for activities carried out by the individual or a member of the individual's family.''.

(2) EXEMPTION OF INDIVIDUAL EXPENDITURES UNDER $100.—Section 301(9)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)), as amended by section 205(b), is amended—

(A) by striking ''and'' at the end of clause (x);

(B) by striking the period at the end of clause (xi) and inserting ''; and''; and

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

''(xii) any payment of funds on behalf of a candidate (whether in cash or in kind, but not including a direct payment of cash to a candidate or a political committee of the candidate) by an individual from the individual's personal funds which in the aggregate does not exceed $100, if the funds are used for activities carried out by the individual or a member of the individual's family.''.

(s) PERMITTING PARTNERSHIPS TO SOLICIT CONTRIBUTIONS AND PAY ADMINISTRATIVE COSTS OF POLITICAL COMMITTEES IN SAME MANNER AS CORPORATIONS AND LABOR UNIONS.—

(1) TREATMENT OF CONTRIBUTIONS.—Section 301(8)(B) of the Federal Election Campaign Act (2 U.S.C. 431(8)(B)), as amended by section 205(a) and subsection (r)(1), is amended—

(A) by striking ''and'' at the end of clause (xv);

(B) by striking the period at the end of clause (xvi) and inserting ''; and''; and

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

''(xvii) any payment made or obligation incurred by a partnership in the establishment and maintenance of a political committee, the administration of such a political committee, or the solicitation of contributions to such committee.''.

(2) TREATMENT OF EXPENDITURES.—Section 301(9)(B) of such Act (2 U.S.C. 431(9)(B)), as amended by section 205(b) and subsection (r)(2), is amended—

(A) by striking ''and'' at the end of clause (xi);

(B) by striking the period at the end of clause (xii) and inserting ''; and''; and

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

''(xiii) any payment made or obligation incurred by a partnership in the establishment and maintenance of a political committee, the administration of such a political committee, or the solicitation of contributions to such committee.''.

TITLE IV—WORKER RIGHT TO KNOW

SEC. 401. FINDINGS.

The Congress finds the following:

(1) The United States Supreme Court announced in the landmark decision, Communications Workers of America v. Beck (487 U.S. 735), that employees who work under a union security agreement, and are required to pay union dues as a condition of employment, may not be forced to contribute through such dues to union-supported political, legislative, social, or charitable causes with which they disagree, and may only be required to pay dues related to collective bargaining, contract administration, and

grievance adjustment necessary to performing the duties of exclusive representation.

(2) Little action has been taken by the National Labor Relations Board to facilitate the ability of employees to exercise their right to object to the use of their union dues for political, legislative, social, or charitable purposes, or other activities not necessary to performing the duties of the exclusive representative of employees in dealing with the employer on labor-management issues, and the Board only recently issued its first ruling implementing the Beck decision nearly 8 years after the Supreme Court issued the opinion.

(3) The evolution of the right enunciated in the Beck decision has diminished its meaningfulness because employees are forced to forego critical workplace rights bearing on their economic well-being in order to object to the use of their dues for purposes unrelated to collective bargaining, to rely on the very organization they are challenging to make the determination regarding the amount of dues necessary to the union's representational function, and do not have access to clear and concise financial records that provide an accurate accounting of how union dues are spent.

SEC. 402. PURPOSE.

The purpose of this title is to ensure that workers who are required to pay union dues as a condition of employment have adequate information about how the money they pay in dues to a union is spent and to remove obstacles to the ability of working people to exercise their right to object to the use of their dues for political, legislative, social, or charitable causes with which they disagree, or for other activities not necessary to performing the duties of the exclusive representative of the employees in dealing with the employer on labor-management issues.

SEC. 403. WORKER CHOICE.

(a) RIGHTS OF EMPLOYEES.—Section 7 of the National Labor Relations Act (29 U.S.C. 157) is amended by striking ''membership'' and all that follows and inserting the following: ''the payment to a labor organization of dues or fees related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation as a condition of employment as authorized in section 8(a)(3).''.

(b) UNFAIR LABOR PRACTICES.—Section 8(a)(3) of such Act (29 U.S.C. 158(a)(3)) is amended by striking ''membership therein'' and inserting ''the payment to such labor organization of dues or fees related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation''.

SEC. 404. WORKER CONSENT.

(a) WRITTEN AGREEMENT.—Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following:

''(h) An employee subject to an agreement between an employer and a labor organization requiring the payment of dues or fees to such organization as authorized in section 8(a)(3) may not be required to pay to such organization, nor may such organization accept payment of, any dues or fees not related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation unless the employee has agreed to pay such dues or fees in a signed written agreement that must be renewed between the first day of September and the first day of October of each year. Such signed written agreement shall include a ratio of the dues or fees related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation and the dues or fees related to other purposes.''.

(b) WRITTEN ASSIGNMENT.—Section 302(c)(4) of the Labor Management Relations Act, 1947 (29 U.S.C. 186(c)(4)) is amended by inserting before the semicolon the following: '': *Provided further,* That no amount may be deducted for dues unrelated to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation unless a written assignment authorizes such a deduction''.

SEC. 405. WORKER NOTICE.

Section 8 of the National Labor Relations Act (29 U.S.C. 158), as amended by section 404(a), is further amended by adding at the end the following:

''(i) An employer shall be required to post a notice, of such size and in such form as the Board shall prescribe, in conspicuous places in and about its plants and offices, including all places where notices to employees are customarily posted, informing employees of their rights under section 7 of this Act and clarifying to employees that an agreement requiring the payment of dues or fees to a labor organization as a condition of employment as authorized in subsection (a)(3) may only require that employees pay to such organization any dues or fees related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation.''.

SEC. 406. DISCLOSURE TO WORKERS.

(a) EXPENSES REPORTING.—Section 201(b) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 431(b)) is amended by adding at the end the following new sentence: ''Every labor organization shall be required to attribute and report expenses by function classification in such detail as necessary to allow its members to determine whether such expenses were related to collective bargaining, contract administration, or grievance adjustment necessary to performing the duties of exclusive representation or were related to other purposes.''.

(b) DISCLOSURE.—Section 201(c) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 431(c)) is amended—

(1) by inserting ''and employees required to pay any dues or fees to such organization'' after ''members''; and

(2) inserting ''or employee required to pay any dues or fees to such organization'' after ''member'' each place it appears.

(c) REGULATIONS.—The Secretary of Labor shall prescribe such regulations as are necessary to carry out the amendments made by this section not later than 120 days after the date of the enactment of this Act.

SEC. 407. CONSTRUCTION.

Nothing in this title shall be construed to affect section 14(b) of the National Labor Relations Act or the concurrent jurisdiction of Federal district courts over claims that a labor organization has breached its duty of fair representation with regard to the collection or expenditure of dues or fees.

SEC. 408. EFFECTIVE DATE.

This title shall take effect on the date of enactment, except that the requirements contained in the amendments made by sections 404 and 405 shall take effect 60 days after the date of the enactment of this Act.

TITLE V—GENERAL PROVISIONS

SEC. 501. EFFECTIVE DATE.

Except as otherwise specifically provided, this Act and the amendments made by this Act shall take effect January 1, 1997.

SEC. 502. SEVERABILITY.

If any provision of this Act or any amendment made by this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 503. EXPEDITED COURT REVIEW.

(a) RIGHT TO BRING ACTION.—The Federal Election Commission, a political committee under title III of the Federal Election Campaign Act of 1971, or any individual eligible to vote in any election for the office of President of the United States may institute an action in an appropriate district court of the United States (including an action for declaratory judgment) as may be appropriate to construe the constitutionality of any provision of this Act or any amendment made by this Act.

(b) HEARING BY THREE-JUDGE COURT.—Upon the institution of an action described in subsection (a), a district court of three judges shall immediately be convened to decide the action pursuant to section 2284 of title 28, United States Code. Such action shall be advanced on the docket and expedited to the greatest extent possible.

(c) APPEAL OF INITIAL DECISION TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by the court of 3 judges convened pursuant to subsection (b) in an action described in subsection (a). Such appeal shall be brought not later than 20 days after the issuance by the court of the judgment, decree, or order.

(d) EXPEDITED REVIEW BY SUPREME COURT.—The Supreme Court shall accept jurisdiction over, advance on the docket, and expedite to the greatest extent possible an appeal taken pursuant to subsection (c).

The CHAIRMAN. No other amendment shall be in order except an amendment in the nature of a substitute consisting of the text of H.R. 3505, modified by the amendment printed in House Report 104–685. That amendment may be offered only by the gentleman from Missouri [Mr. GEPHARDT] or his designee, shall be considered read, shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment.

AMENDMENT IN THE NATURE OF A SUBSTITUTE AS MODIFIED BY THE RULE OFFERED BY MR. FAZIO OF CALIFORNIA

Mr. FAZIO of California. Mr. Chairman, I offer an amendment in the nature of a substitute as the designee of the minority leader.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment in the nature of a substitute, as modified by the rule, is as follows:

Amendment in the nature of a substitute, as modified by the rule, offered by Mr. FAZIO of California.

H.R. 3505

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''American Political Reform Act''.

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

Sec. 1. Short title; table of contents.

TITLE I—CONGRESSIONAL CAMPAIGN SPENDING LIMITS AND BENEFITS

Subtitle A—Election Campaign Spending Limits and Benefits

Sec. 101. Spending limits and benefits.

Subtitle B—Limitations on Contributions to House of Representatives Candidates
Sec. 121. Limitations on political committees.
Sec. 122. Limitations on political committee and large donor contributions that may be accepted by House of Representatives candidates.
Subtitle C—Related Provisions
Sec. 131. Reporting requirements.
Sec. 132. Registration as eligible House of Representatives candidate.
Sec. 133. Definitions.
Subtitle D—Tax on Excess Political Expenditures of Certain Congressional Campaign Funds
Sec. 141. Tax treatment of certain campaign funds.
TITLE II—INDEPENDENT EXPENDITURES
Sec. 201. Clarification of definitions relating to independent expenditures.
Sec. 202. Reporting requirements for certain independent expenditures.
TITLE III—CONTRIBUTIONS AND EXPENDITURES BY POLITICAL PARTY COMMITTEES
Sec. 301. Definitions.
Sec. 302. Contributions to political party committees.
Sec. 303. Increase in the amount that multicandidate political committees may contribute to national political party committees.
Sec. 304. Merchandising and affinity cards.
Sec. 305. Provisions relating to national, State, and local party committees.
Sec. 306. Restrictions on fundraising by candidates and officeholders.
Sec. 307. Reporting requirements.
TITLE IV—CONTRIBUTIONS
Sec. 401. Restrictions on bundling.
Sec. 402. Contributions by dependents not of voting age.
Sec. 403. Prohibition of acceptance by a candidate of cash contributions from any one person aggregating more than $100.
Sec. 404. Contributions to candidates from State and local committees of political parties to be aggregated.
Sec. 405. Prohibition of false representation to solicit contributions.
Sec. 406. Limited exclusion of advances by campaign workers from the definition of the term ''contribution''.
Sec. 407. Amendment to section 316 of the Federal Election Campaign Act of 1971.
Sec. 408. Prohibition of certain election-related activities of foreign nationals.
TITLE V—REPORTING REQUIREMENTS
Sec. 501. Change in certain reporting from a calendar year basis to an election cycle basis.
Sec. 502. Disclosure of personal and consulting services.
Sec. 503. Political committees other than candidate committees.
Sec. 504. Use of candidates' names.
Sec. 505. Reporting requirements.
Sec. 506. Simultaneous registration of candidate and candidate's principal campaign committee.
Sec. 507. Reporting on general campaign activities of persons other than political parties.
TITLE VI—BROADCAST RATES AND CAMPAIGN ADVERTISING
Sec. 601. Broadcast rates and campaign advertising.
Sec. 602. Campaign advertising amendments.
Sec. 603. Eligibility for nonprofit third class bulk rates of postage.
TITLE VII—MISCELLANEOUS
Sec. 701. Prohibition of leadership committees.
Sec. 702. Appearance by Federal Election Commission as amici curiae.
Sec. 703. Prohibiting solicitation of contributions by members in hall of the House of Representatives.
TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS
Sec. 801. Effective date.
Sec. 802. Severability.
Sec. 803. Expedited review of constitutional issues.
Sec. 804. Regulations.

TITLE I—CONGRESSIONAL CAMPAIGN SPENDING LIMITS AND BENEFITS

Subtitle A—Election Campaign Spending Limits and Benefits

SEC. 101. SPENDING LIMITS AND BENEFITS.

(a) IN GENERAL.—The Federal Election Campaign Act of 1971 is amended by adding at the end the following new title:

''TITLE V—ELECTION SPENDING LIMITS AND BENEFITS

''TITLE V—ELECTION SPENDING LIMITS AND BENEFITS
''Subtitle A—Election Campaigns for the House of Representatives
''Sec. 501. Expenditure limitations.
''Sec. 502. Personal contribution limitations.
''Sec. 503. Definition.
''Subtitle B—Administrative Provisions
''Sec. 511. Certifications by Commission.
''Sec. 512. Examination and audits; repayments and civil penalties.
''Sec. 513. Judicial review.
''Sec. 514. Reports to Congress; certifications; regulations.
''Sec. 515. Closed captioning requirement for television commercials of eligible candidates.
''Subtitle C—Congressional Election Campaign Fund
''Sec. 521. Establishment and operation of the Fund.
''Sec. 522. Designation of receipts to the Fund.

''Subtitle A—Election Campaigns for the House of Representatives

''SEC. 501. EXPENDITURE LIMITATIONS.

''(a) IN GENERAL.—An eligible House of Representatives candidate may not, in an election cycle, make expenditures aggregating more than $600,000.

''(b) RUNOFF ELECTION AND SPECIAL ELECTION AMOUNTS.—

''(1) RUNOFF ELECTION AMOUNT.—If an eligible House of Representatives candidate is a candidate in a runoff election, the candidate may make additional expenditures aggregating not more than $200,000 in the election cycle.

''(2) SPECIAL ELECTION AMOUNT.—An eligible House of Representatives candidate who is a candidate in a special election may make expenditures aggregating not more than $600,000 with respect to the special election.

''(c) CLOSELY CONTESTED PRIMARY.—If, as determined by the Commission, an eligible House of Representatives candidate in a contested primary election wins that primary election by a margin of 20 percentage points or less, the candidate may make additional expenditures aggregating not more than $200,000 in the election cycle.

''(d) EXCEPTIONS TO LIMITATIONS.—

''(1) NONPARTICIPATING OPPONENT.—The limitations imposed by subsections (a) and (b) do not apply in the case of an eligible House of Representatives candidate if any other general election candidate seeking nomination or election to that office—

''(A) is not an eligible House of Representatives candidate; and

''(B) makes expenditures in excess of 30 percent of the limitation under subsection (a).

''(2) INDEPENDENT EXPENDITURES AGAINST ELIGIBLE CANDIDATE.—The limitations imposed by subsections (a) and (b) do not apply in the case of an eligible House of Representatives candidate if the total amount of independent expenditures made during the election cycle on behalf of candidates opposing such eligible candidate exceeds $15,000.

''(3) CONTINUED ELIGIBILITY FOR BENEFITS.—An eligible House of Representatives candidate referred to in paragraph (1) or paragraph (2) shall continue to be eligible for all benefits under this title.

''(e) EXEMPTION FOR LEGAL COSTS AND TAXES.—

''(1) IN GENERAL.—Any costs incurred by an eligible House of Representatives candidate or his or her authorized committee, or a Federal officeholder, for qualified legal services, for Federal, State, or local income taxes on earnings of a candidate's authorized committees, or to comply with section 512 shall not be considered in the computation of amounts subject to limitation under this section.

''(2) QUALIFIED LEGAL SERVICES.—For purposes of this subsection, the term 'qualified legal services' means—

''(A) any legal service performed on behalf of an authorized committee; or

''(B) any legal service performed on behalf of a candidate or Federal officeholder in connection with his or her duties or activities as a candidate or Federal officeholder.

''(f) EXEMPTION FOR FUNDRAISING OR ACCOUNTING COSTS.—Any costs incurred by an eligible House of Representatives candidate or his or her authorized committee in connection with the solicitation of contributions on behalf of such candidate, or for accounting services to ensure compliance with this Act, shall not be considered in the computation of amounts subject to expenditure limitation under subsection (a) to the extent that the aggregate of such costs does not exceed 10 percent of the expenditure limitation under subsection (a).

''(g) INDEXING.—The dollar amounts specified in subsections (a), (b), and (c) shall be adjusted at the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that, for the purposes of such adjustment, the base period shall be calendar year 1996.

''(h) RECALL ACTIONS.—The limitations of this section do not apply in the case of any recall action held pursuant to State law.

''SEC. 502. PERSONAL CONTRIBUTION LIMITATIONS.

''(a) PERSONAL CONTRIBUTIONS.—An eligible House of Representatives candidate may not, with respect to an election cycle, make contributions or loans to the candidate's own campaign totaling more than $50,000 from the personal funds of the candidate. Contributions from the personal funds of a candidate may not qualify for certification for voter benefits under this title.

''(b) LIMITATION EXCEPTION.—The limitation imposed by subsection (a) does not apply—

''(1) in the case of an eligible House of Representatives candidate if any other general election candidate for that office makes contributions or loans to the candidate's own campaign totaling more than $50,000 from the personal funds of the candidate; or

''(2) with respect to any contribution or loan used for costs described in section 501 (e) or (f).

''(c) AGGREGATION.—For purposes of subsection (a), any contribution or loan to a candidate's campaign by a member of a candidate's immediate family shall be treated as made by the candidate.

''SEC. 503. DEFINITION.

''As used in this title, the term 'benefits' means, with respect to an eligible House of Representatives candidate, reduced charges for use of a broadcasting station under section 315 of the Communications Act of 1934 (47 U.S.C. 315) and eligibility for nonprofit third-class bulk rates of postage under section 3626(e) of title 39, United States Code.

''Subtitle B—Administrative Provisions

''SEC. 511. CERTIFICATIONS BY COMMISSION.

''(a) GENERAL ELIGIBILITY.—The Commission shall certify whether a candidate is eligible to receive benefits under subtitle A. The initial determination shall be based on the candidate's filings under this title. Any subsequent determination shall be based on relevant additional information submitted in such form and manner as the Commission may require.

''(b) CERTIFICATION OF BENEFITS.—

''(1) DEADLINE FOR RESPONSE TO REQUESTS.—The Commission shall respond to a candidate's request for certification for eligibility to receive benefits under this section not later than 5 business days after the candidate submits the request.

''(2) REQUESTS.—Any request for certification submitted by a candidate shall contain—

''(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

''(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirement of this title.

''(3) PARTIAL CERTIFICATION.—If the Commission determines that any portion of a request does not meet the requirement for certification, the Commission shall withhold the certification for that portion only and inform the candidate as to how the request may be corrected.

''(4) CERTIFICATION WITHHELD.—The Commission may withhold certification if it determines that a candidate who is otherwise eligible has engaged in a pattern of activity indicating that the candidate's filings under this title cannot be relied upon.

''(c) WITHDRAWAL OF CERTIFICATION.—If the Commission determines that a candidate who is certified as an eligible House of Representatives candidate pursuant to this section has made expenditures in excess of any limit under subtitle A or otherwise no longer meets the requirements for certification under this title, the Commission shall revoke the candidate's certification.

''SEC. 512. EXAMINATION AND AUDITS; REPAYMENTS AND CIVIL PENALTIES.

''(a) EXAMINATIONS AND AUDITS.—

''(1) GENERAL ELECTIONS.—After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 5 percent of the eligible House of Representatives candidates, as designated by the Commission through the use of an appropriate statistical method of random selection, to determine whether such candidates have complied with the conditions of eligibility and other requirements of this title. The Commission shall conduct an examination and audit of the accounts of all candidates for election to an office where any eligible candidate for the office is selected for examination and audit.

''(2) SPECIAL ELECTION.—After each special election involving an eligible candidate, the Commission shall conduct an examination and audit of the campaign accounts of all candidates in the election to determine whether the candidates have complied with the conditions of eligibility and other requirements of this Act.

''(3) AFFIRMATIVE VOTE.—The Commission may conduct an examination and audit of the campaign accounts of any eligible House of Representatives candidate in a general election if the Commission determines that there exists reason to believe whether such candidate may have violated any provision of this title.

''(b) NOTIFICATION OF EXCESS EXPENDITURES.—If the Commission determines that any eligible candidate who has received benefits under this title has made expenditures in excess of any limit under subtitle A, the Commission shall notify the candidate.

''(c) CIVIL PENALTIES.—

''(1) EXCESS EXPENDITURES.—

''(A) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subtitle A by 2.5 percent or less shall pay to the Commission an amount equal to the amount of the excess expenditures.

''(B) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subtitle A by more than 2.5 percent and less than 5 percent shall pay to the Commission an amount equal to three times the amount of the excess expenditures.

''(C) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subtitle A by 5 percent or more shall pay to the Commission an amount equal to three times the amount of the excess expenditures plus, if the Commission determines such excess expenditures were knowing and willful, a civil penalty in an amount determined by the Commission.

''(2) MISUSED BENEFITS OF CANDIDATES.—If the Commission determines that an eligible House of Representatives candidate used any benefit received under this title in a manner not provided for in this title, the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

''(d) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than 3 years after the date of such election.

''SEC. 513. JUDICIAL REVIEW.

''(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

''(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

''(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

''SEC. 514. REPORTS TO CONGRESS; CERTIFICATIONS; REGULATIONS.

''(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the House of Representatives setting forth—

''(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible candidate and the authorized committees of such candidate;

''(2) the benefits certified by the Commission as available to each eligible candidate under this title; and

''(3) the names of any candidates against whom penalties were imposed under section 512, together with the amount of each such penalty and the reasons for its imposition.

''(b) DETERMINATIONS BY COMMISSION.—Subject to sections 512 and 513, all determinations (including certifications under section 511) made by the Commission under this title shall be final and conclusive.

''(c) RULES AND REGULATIONS.—The Commission is authorized to prescribe such rules and regulations, in accordance with the provisions of subsection (d), to conduct such audits, examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

''(d) REPORT OF PROPOSED REGULATIONS.—The Commission shall submit to the House of Representatives a report containing a detailed explanation and justification of each rule and regulation of the Commission under this title. No such rule, regulation, or form may take effect until a period of 60 legislative days has elapsed after the report is received. As used in this subsection, the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.

''SEC. 515. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE CANDIDATES.

''No eligible House of Representatives candidate may receive benefits under subtitle A unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.''.

Subtitle B—Limitations on Contributions to House of Representatives Candidates

SEC. 121. LIMITATIONS ON POLITICAL COMMITTEES.

(a) MULTICANDIDATE POLITICAL COMMITTEES.—Section 315(a)(2)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended by striking out ''with respect'' and all that follows through ''$5,000,'' and inserting in lieu thereof: ''which, in the aggregate, exceed $5,000 with respect to an election for Federal office or $8,000 with respect to an election cycle (not including a runoff election);''.

(b) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

''(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder. Nothing in this paragraph shall be construed to permit the establishment, financing, maintenance, or control of any committee which is prohibited by paragraph (3) or (6) of section 302(e).''

(2) Section 302(e)(3) of such Act (2 U.S.C. 432(e)(3)) is amended to read as follows:

''(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

''(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

''(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.''

(c) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1996.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received before January 1, 1997; or

(B) contributions made to, or received by, a candidate on or after January 1, 1997, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate before January 1, 1997, over

(ii) such contributions received by the candidate before January 1, 1997.

SEC. 122. LIMITATIONS ON POLITICAL COMMITTEE AND LARGE DONOR CONTRIBUTIONS THAT MAY BE ACCEPTED BY HOUSE OF REPRESENTATIVES CANDIDATES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

''(i) LIMITATIONS ON CONTRIBUTIONS ACCEPTED BY HOUSE OF REPRESENTATIVES CANDIDATE.—

''(1) POLITICAL COMMITTEES.—A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress may not, with respect to an election cycle, accept contributions from political committees aggregating in excess of $200,000.

''(2) PERSONS OTHER THAN POLITICAL COMMITTEES.—A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress may not, with respect to an election cycle, accept contributions aggregating in excess of $200,000 from persons other than political committees whose contributions total more than $200.

''(3) CONTESTED PRIMARIES.—In addition to the contributions under paragraphs (1) and (2), if a House of Representatives candidate in a contested primary election wins that primary election by a margin of 20 percentage points or less, the candidate may accept contributions of—

''(A) not more than $66,600 from political committees; and

''(B) not more than $66,600 from persons referred to in paragraph (2).

''(4) RUNOFF ELECTIONS.—In addition to the contributions under paragraphs (1) and (2), a House of Representatives candidate who is a candidate in a runoff election may accept contributions of (A) not more than $100,000 from political committees; and (B) not more than $100,000 from persons referred to in paragraph (2).

''(5) EXEMPTION FOR CERTAIN COSTS.—Any amount—

''(A) accepted by a House of Representatives candidate; and

''(B) used for costs incurred under section 501 (e) and (f),

shall not be considered in the computation of amounts subject to limitation under this subsection.

''(6) TRANSFER PROVISION.—The limitations imposed by this subsection shall apply without regard to amounts transferred from previous election cycles or other authorized committees of the same candidate. Candidates shall not be required to seek the redesignation of contributions in order to transfer such contributions to a later election cycle.

''(7) INDEXATION OF AMOUNTS.—The dollar amounts specified in this subsection shall be adjusted at the beginning of each calendar year based on the increase in the price index determined under subsection (c), except that, for the purposes of such adjustment, the base period shall be calendar year 1996.''

Subtitle C—Related Provisions

SEC. 131. REPORTING REQUIREMENTS.

Title III of the Federal Election Campaign Act of 1971 is amended by adding after section 304 the following new section:

''REPORTING REQUIREMENTS FOR HOUSE CANDIDATES

''SEC. 304A. A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress who—

''(1) makes contributions in excess of $50,000 of personal funds of the candidate to the authorized committee of the candidate; or

''(2) makes expenditures in excess of 50 percent and 100 percent of the limitation under section 501(a);

shall report that the threshold has been reached to the Commission not later than 48 hours after reaching the threshold. The Commission shall transmit a copy to each other candidate for election to the same office within 48 hours of receipt.''

SEC. 132. REGISTRATION AS ELIGIBLE HOUSE OF REPRESENTATIVES CANDIDATE.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by adding at the end the following new paragraphs:

''(6)(A) In the case of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, who desires to be an eligible House of Representatives candidate, a declaration of participation of the candidate to abide by the limits specified in sections 315(i), 501, and 502 and provide the information required under section 503(b)(4) shall be included in the designation required to be filed under paragraph (1).

''(B) A declaration of participation that is included in a statement of candidacy may not thereafter be revoked.''

SEC. 133. DEFINITIONS.

(a) IN GENERAL.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraph (19) and inserting the following new paragraphs:

''(19) The term 'election cycle' means—

''(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the most recent general election for the specific office or seat which such candidate seeks and ending on the date of the next general election for such office or seat; or

''(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next general election.

''(20) The term 'general election' means any election which will directly result in the election of a person to a Federal office.

''(21) The term 'general election period' means, with respect to any candidate, the period beginning on the day after the date of the primary or runoff election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

''(A) the date of such general election; or

''(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

''(22) The term 'immediate family' means—

''(A) a candidate's spouse;

''(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate or the candidate's spouse; and

''(C) the spouse of any person described in subparagraph (B).

''(23) The term 'primary election' means an election which may result in the selection of a candidate for the ballot in a general election for a Federal office.

''(24) The term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

''(A) the date of the first primary election for that office following the last general election for that office; or

''(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election.

''(25) The term 'runoff election' means an election held after a primary election which is prescribed by applicable State law as the means for deciding which candidate will be on the ballot in the general election for a Federal office.

''(26) The term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office such candidate is seeking and ending on the date of the runoff election for such office.

''(27) The term 'special election' means any election (whether primary, runoff, or general) for Federal office held by reason of a vacancy in the office arising before the end of the term of the office.

''(28) The term 'special election period' means, with respect to any candidate for any Federal office, the period beginning on the date the vacancy described in paragraph (28) occurs and ending on the earlier of—

''(A) the date the election resulting in the election of a person to the office occurs; or

''(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

''(29) The term 'eligible House of Representatives candidate' means a candidate for election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress, who, as determined by the Commission under section 511, is eligible to receive benefits under subtitle A of title V by reason of filing a declaration of participation under section 302(e) and complying with the continuing eligibility requirements under section 511.''

(b) IDENTIFICATION.—Section 301(13)(A) of such Act (2 U.S.C. 431(13)(A)) is amended by striking ''mailing address'' and inserting ''permanent residence address''.

Subtitle D—Tax on Excess Political Expenditures of Certain Congressional Campaign Funds

SEC. 141. TAX TREATMENT OF CERTAIN CAMPAIGN FUNDS.

(a) GENERAL RULE.—Chapter 41 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subchapter:

''Subchapter B—Excess Political Expenditures of Certain Congressional Campaign Funds

''Sec. 4915. Tax on excess political expenditures of certain campaign funds.

''SEC. 4915. TAX ON EXCESS POLITICAL EXPENDITURES OF CERTAIN CAMPAIGN FUNDS.

''(a) IMPOSITION OF TAX.—If any applicable campaign fund has excess political expenditures for any election cycle, there is hereby

imposed on such excess political expenditures a tax equal to the amount of such excess political expenditures multiplied by the highest rate of tax specified in section 11(b). Such tax shall be imposed for the taxable year of such fund in which such election cycle ends.

''(b) APPLICABLE CAMPAIGN FUND.—For purposes of this section, the term 'applicable campaign fund' means any political organization if—

''(1) such organization is designated by a candidate for election or nomination to the House of Representatives as such candidate's principal campaign committee for purposes of section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)), and

''(2) such candidate has made contributions to such political organization during the election cycle in excess of the contribution limitation which would have been applicable under section 501(a) or 512(a) of such Act, whichever is applicable, if an election under such section had been made.

''(c) EXCESS POLITICAL EXPENDITURES.—

''(1) IN GENERAL.—For purposes of this section, the term 'excess political expenditures' means, with respect to any election cycle, the excess (if any) of the political expenditures incurred by the applicable campaign fund during such cycle, over, in the case of a House of Representatives candidate, the expenditure ceiling which would have been applicable under subtitle B of title V of such Act if an election under such subtitle had been made.

''(2) SPECIAL RULE FOR DETERMINING AMOUNT OF EXPENDITURES.—For purposes of paragraph (1), in determining the amount of political expenditures incurred by an applicable campaign fund, there shall be excluded any such expenditure which would not have been subject to the expenditure limitations of title V of the Federal Election Campaign Act of 1971 had such limitations been applicable, other than any such expenditure which would have been exempt from such limitations under section 501(e) or 501(f) of such Act.

''(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) ELECTION CYCLE.—The term 'election cycle' has the meaning given such term by section 301 of the Federal Election Campaign Act of 1971.

''(2) POLITICAL ORGANIZATION.—The term 'political organization' has the meaning given to such term by section 527(e)(1).

''(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 4911(e)(4) shall apply.''

(b) CLERICAL AMENDMENTS.—

(1) Chapter 41 of such Code is amended by striking the chapter heading and inserting the following:

''CHAPTER 41—LOBBYING AND POLITICAL EXPENDITURES OF CERTAIN ORGANIZATIONS

''Subchapter A. Public charities.

''Subchapter B. Excess political expenditures of certain campaign funds.

''Subchapter A—Public Charities''.

(2) The table of sections for subtitle D of such Code is amended by striking the item relating to chapter 41 and inserting the following:

''Chapter 41. Lobbying and political expenditures of certain organizations.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

TITLE II—INDEPENDENT EXPENDITURES

SEC. 201. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

''(17)(A) The term 'independent expenditure' means an expenditure that—

''(i) contains express advocacy; and

''(ii) is made without the participation or cooperation of and without consultation with a candidate or a candidate's representative.

''(B) The following shall not be considered an independent expenditure:

''(i) An expenditure made by an authorized committee of a candidate for Federal office

''(ii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

''(iii) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

''(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

''(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

''(iv) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office. For purposes of this clause, the term 'professional services' shall include any services (other than legal and accounting services solely for purposes of ensuring compliance with any Federal law) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person.

''(18)(A) The term 'express advocacy' means, when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party.

''(B) The term 'expression of support for or opposition to' includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action.''.

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of such Act (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking ''or'' after the semicolon at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following new clause:

''(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that is not an independent expenditure under paragraph (17).''.

SEC. 202. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (9); and

(3) by inserting after paragraph (2), as amended by paragraph (1), the following new paragraphs:

''(3)(A) Any person (including a political committee) making independent expenditures (including those described in subsection (b)(6)(B)(iii)) with respect to a candidate in an election aggregating $1,000 or more made after the 20th day, but more than 24 hours, before the election shall file a report within 24 hours after such independent expenditures are made. An additional report shall be filed each time independent expenditures aggregating $1,000 are made with respect to the same candidate after the latest report filed under this subparagraph.

''(B) Any person (including a political committee) making independent expenditures with respect to a candidate in an election aggregating $2,500 or more made at any time up to and including the 20th day before the election shall file a report within 48 hours after such independent expenditures are made. An additional report shall be filed each time independent expenditures aggregating $2,500 are made with respect to the same candidate after the latest report filed under this paragraph.

''(C) A report under subparagraph (A) or (B) shall be filed with the Commission and the Secretary of State of the State involved, and shall identify each candidate whom the expenditure is actually intended to support or to oppose. Not later than 48 hours after the Commission receives a report, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

''(D) For purposes of this section, an independent expenditure shall be considered to have been made upon the making of any payment or the taking of any action to incur an obligation for payment.

''(4)(A) If any person (including a political committee) intends to make independent expenditures with respect to a candidate in an election totaling $2,500 or more during the 20 days before an election, such person shall file a report no later than the 20th day before the election.

''(B) A report under subparagraph (A) shall be filed with the Commission and the Secretary of State of the State involved, and shall identify each candidate whom the expenditure is actually intended to support or to oppose. Not later than 48 hours after the Commission receives a report under this paragraph, the Commission shall transmit a copy of the statement to each candidate identified.

''(5) The Commission may, upon a request of a candidate or on its own initiative, make its own determination that a person has made, or has incurred obligations to make, independent expenditures with respect to any candidate in any election which in the aggregate exceed the applicable amounts under paragraph (3) or (4). The Commission shall notify each candidate in such election of such determination within 48 hours after making it. Any determination made at the request of a candidate shall be made within 48 hours of the request.

''(6) At the time at which an eligible House of Representatives candidate is notified under paragraph (3), (4), or (5) with respect to expenditures during a general election period, the Commission shall certify eligibility to receive benefits under section 504(a)(3)(B) or section 513(f).

''(7)(A) A person that makes a reservation of broadcast time to which section 315(a) of the Communications Act of 1947 (47 U.S.C. 315(a)) applies, the payment for which would constitute an independent expenditure, shall at the time of reservation—

''(i) inform the broadcast licensee that payment for the broadcast time will constitute an independent expenditure;

''(ii) inform the broadcast licensee of the names of all candidates for the office to

which the proposed broadcast relates and state whether the message to be broadcast is intended to be made in support of or in opposition to each such candidate;

''(iii) transmit to all candidates for the office to which the proposed broadcast relates a script or tape recording of the communication, or an accurate summary of the communication if a script or tape recording is not available.''.

TITLE III—CONTRIBUTIONS AND EXPENDITURES BY POLITICAL PARTY COMMITTEES

SEC. 301. DEFINITIONS.

(a) CONTRIBUTION AND EXPENDITURE EXCEPTIONS.—(1) Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(A) in clause (x)—

(i) by striking ''and'' at the end of subclause (2),

(ii) by inserting ''and'' at the end of subclause (3), and

(iii) by adding at the end the following new subclause:

''(4) such activities are conducted solely by, and any materials are prepared for distribution and mailing and are distributed (if other than by mailing) solely by, volunteers;'';

(B) in clause (xi), by striking ''That'' and all that follows through ''Act;'' and inserting ''That—

''(1) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

''(2) such activities are conducted solely by, and any materials are prepared for distribution and mailing and are distributed (if other than by mailing) solely by, volunteers;'' and

(C) in clause (xii)—

(i) by inserting ''in connection with volunteer activities'' after ''such committee'',

(ii) by striking ''for President and Vice President'',

(iii) by striking ''and'' at the end of subclause (2),

(iv) by inserting ''and'' at the end of subclause (3), and

(v) by adding at the end the following new subclause:

''(4) such activities are conducted solely by, and any materials are prepared for distribution and mailing and are distributed (if other than by mailing) solely by, volunteers;''.

(2) Section 301(9)(B) of such Act (2 U.S.C. 431(9)(B)) is amended—

(A) in clause (viii)—

(i) by striking ''and'' at the end of subclause (2),

(ii) by inserting ''and'' at the end of subclause (3), and

(iii) by adding at the end the following new subclause:

''(4) such activities are conducted solely by, and any materials are prepared for distribution and mailing and are distributed (if other than by mailing) solely by, volunteers;''; and

(B) in clause (ix)—

(i) by inserting ''in connection with volunteer activities'' after ''such committee'',

(ii) by striking ''for President or Vice President'', and

(iii) by striking ''and'' at the end of subclause (2), by inserting ''and'' at the end of subclause (3), and by adding at the end the following new subclause:

''(4) such activities are conducted solely by, and any materials are prepared for distribution and are distributed (if other than by mailing) solely by, volunteers;''.

(b) GENERIC ACTIVITIES; STATE PARTY GRASSROOTS FUND.—Section 301 of such Act (2 U.S.C. 431), as amended by section 133, is further amended by adding at the end the following new paragraphs:

''(30) The term 'generic campaign activity' means a campaign activity that promotes a political party rather than any particular Federal or non-Federal candidate.

''(31) The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 324(d).''.

SEC. 302. CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.

(a) INDIVIDUAL CONTRIBUTIONS TO STATE PARTY.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) by striking ''or'' at the end of subparagraph (B);

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

(3) by inserting after subparagraph (B) the following new subparagraph:

''(C) to—

''(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000; or

''(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a person to the State Party Grassroots Fund and all committees of a State committee of a political party in any State in any calendar year shall not exceed $20,000; or''.

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Section 315(a)(2) of such Act (2 U.S.C. 441a(a)(2)) is amended—

(1) by striking ''or'' at the end of subparagraph (B);

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

(3) by inserting after subparagraph (B) the following new subparagraph:

''(C) to—

''(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $15,000; or

''(ii) to any other political committee established and maintained by a State committee of a political party which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a multicandidate political committee to the State Party Grassroots Fund and all committees of a State committee of a political party in any State in any calendar year shall not exceed $15,000; or''.

(c) OVERALL LIMIT.—Section 315(a)(3) of such Act (2 U.S.C. 441a(a)(3)) is amended to read as follows:

''(3)(A) No individual shall make contributions during any election cycle which, in the aggregate, exceed $100,000.

''(B) No individual shall make contributions during any calendar year—

''(i) to all candidates and their authorized political committees which, in the aggregate, exceed $25,000; or

''(ii) to all political committees established and maintained by State committees of a political party which, in the aggregate, exceed $20,000.

''(C) For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which such contribution is made shall be treated as made during the calendar year in which the election is held.''.

(d) PRESIDENTIAL CANDIDATE COMMITTEE TRANSFERS.—(1) Section 315(b)(1) of such Act (2 U.S.C. 441a(b)(1)) is amended to read as follows:

''(B) in the case of a campaign for election to such office, an amount equal to the sum of—

''(i) $20,000,000, plus

''(ii) the amounts transferred by the candidate and the authorized committees of the candidate to the national committee of the candidate's political party for distribution to State Party Grassroots Funds.

In no event shall the amount under subparagraph (B)(ii) exceed 2 cents multiplied by the voting age population of the United States (as certified under subsection (e)). The Commission may require reporting of the transfers described in subparagraph (B)(ii), may conduct an examination and audit of any such transfer, and may require the return of the transferred amounts to the Presidential Election Campaign Fund if not used for the appropriate purpose.''

(2) Subparagraph (A) of section 9002(11) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''or'' at the end of clause (ii); and

(B) in clause (iii), by striking ''offices,'' and inserting the following: ''offices, or (iv) consisting of a transfer to the national committee of the political party of a candidate for the office of President or Vice President for distribution to State Party Grassroots Funds (as defined in the Federal Election Campaign Act of 1971) to the extent such transfers do not exceed the amount determined under section 315(b)(1)(B)(ii) of such Act,''.

SEC. 303. INCREASE IN THE AMOUNT THAT MULTICANDIDATE POLITICAL COMMITTEES MAY CONTRIBUTE TO NATIONAL POLITICAL PARTY COMMITTEES.

Section 315(a)(2)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)(B)) is amended by striking ''$15,000'' and inserting ''$25,000''.

SEC. 304. MERCHANDISING AND AFFINITY CARDS.

Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

''(c) Notwithstanding the provisions of this section or any other provision of this Act to the contrary, an amount received from a corporation (including a State-chartered or national bank) by any political committee (other than a separate segregated fund established under section 316(b)(2)(C)) shall be deemed to meet the limitations and prohibitions of this Act if such amount represents a commission or royalty on the sale of goods or services, or on the issuance of credit cards, by such corporation and if—

''(1) such goods, services, or credit cards are promoted by or in the name of the political committee as a means of contributing to or supporting the political committee and are offered to consumers using the name of the political committee or using a message, design, or device created and owned by the political committee, or both;

''(2) the corporation is in the business of merchandising such goods or services, or of issuing such credit cards;

''(3) the royalty or commission has been offered by the corporation to the political committee in the ordinary course of the corporation's business and on the same terms and conditions as those on which such corporation offers royalties or commissions to nonpolitical entities;

''(4) all revenue on which the commission or royalty is based represents, or results from, sales to or fees paid by individual consumers in the ordinary course of retail transactions;

''(5) the costs of any unsold inventory of goods are ultimately borne by the political committee in accordance with rules to be prescribed by the Commission; and

''(6) except for any royalty or commission permitted to be paid by this subsection, no goods, services, or anything else of value is provided by such corporation to the political committee, except that such corporation may advance or finance costs or extend credit in connection with the manufacture and distribution of goods, provision of services, or issuance of credit cards pursuant to this subsection if and to the extent such advance, financing, or extension is undertaken in the ordinary course of the corporation's business and is undertaken on similar terms by such corporation in its transactions with nonpolitical entities in like circumstances.''

SEC. 305. PROVISIONS RELATING TO NATIONAL, STATE, AND LOCAL PARTY COMMITTEES.

(a) SOFT MONEY OF COMMITTEES OF POLITICAL PARTIES.—Title III of the Federal Election Campaign Act of 1971 is amended by inserting after section 323 the following new section:

''POLITICAL PARTY COMMITTEES

''SEC. 324. (a) LIMITATIONS ON NATIONAL COMMITTEE.—(1) A national committee of a political party and the congressional campaign committees of a political party may not solicit or accept contributions or transfers not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) Paragraph (1) shall not apply to contributions—

''(A) that—

''(i) are to be transferred to a State committee of a political party and are used solely for activities described in clauses (xi) through (xvii) of paragraph (9)(B) of section 301; or

''(ii) are described in section 301(8)(B)(viii); and

''(B) with respect to which contributors have been notified that the funds will be used solely for the purposes described in subparagraph (A).

''(b) ACTIVITIES SUBJECT TO THIS ACT.—Any amount solicited, received, expended, or disbursed directly or indirectly by a national, State, district, or local committee of a political party with respect to any of the following activities shall be subject to the limitations, prohibitions, and reporting requirements of this Act:

''(1)(A) Any get-out-the-vote activity conducted during a calendar year in which an election for the office of President is held.

''(B) Any other get-out-the-vote activity unless subsection (c)(2) applies to the activity.

''(2) Any generic campaign activity.

''(3) Any activity that identifies or promotes a Federal candidate, regardless of whether—

''(A) a State or local candidate is also identified or promoted; or

''(B) any portion of the funds disbursed constitutes a contribution or expenditure under this Act.

''(4) Voter registration.

''(5) Development and maintenance of voter files during an even-numbered calendar year.

''(6) Any other activity that—

''(A) significantly affects a Federal election, or

''(B) is not otherwise described in section 301(9)(B)(xvii).

Any amount spent to raise funds that are used, in whole or in part, in connection with activities described in the preceding paragraphs shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

''(c) GET-OUT-THE-VOTE ACTIVITIES BY STATE, DISTRICT, AND LOCAL COMMITTEES OF POLITICAL PARTIES.—(1) Except as provided in paragraph (2), any get-out-the-vote activity for a State or local candidate, or for a ballot measure, which is conducted by a State, district, or local committee of a political party shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) Paragraph (1) shall not apply to any activity which the State committee of a political party certifies to the Commission is an activity which—

''(A) is conducted during a calendar year other than a calendar year in which an election for the office of President is held,

''(B) is exclusively on behalf of (and specifically identifies only) one or more State or local candidates or ballot measures, and

''(C) does not include any effort or means used to identify or turn out those identified to be supporters of any Federal candidate (including any activity that is undertaken in coordination with, or on behalf of, a candidate for Federal office).

''(d) STATE PARTY GRASSROOTS FUNDS.—(1) A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

''(A) any generic campaign activity;

''(B) payments described in clauses (v), (x), and (xii) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

''(C) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

''(D) voter registration; and

''(E) development and maintenance of voter files during an even-numbered calendar year.

''(2) Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if such district or local committee—

''(A) has established a separate segregated fund for the purposes described in paragraph (1); and

''(B) uses the transferred funds solely for those purposes.

''(e) AMOUNTS RECEIVED BY GRASSROOTS FUND FROM STATE AND LOCAL CANDIDATE COMMITTEES.—(1) Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (b) that are for the benefit of that candidate shall be treated as meeting the requirements of subsection (b) and section 304(e) if—

''(A) such amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

''(B) the State or local candidate committee—

''(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether such requirements are met; and

''(ii) certifies that such requirements were met.

''(2) For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in such paragraph—

''(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee, and

''(B) the committee must be able to demonstrate that its cash on hand contains sufficient funds meeting such requirements as are necessary to cover the transferred funds.

''(3) Notwithstanding paragraph (1), any State Party Grassroots Fund receiving any transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from such candidate committee.

''(4) For purposes of this subsection, a State or local candidate committee is a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

''(f) RELATED ENTITIES.—The provisions of this Act shall apply to any entity that is established, financed, or maintained by a national committee or State committee of a political party in the same manner as they apply to the national or State committee.''

(b) CONTRIBUTIONS AND EXPENDITURES.—

(1) CONTRIBUTIONS.—Section 301(8)(B) of such Act (2 U.S.C. 431(8)(B)) is amended—

(A) in clause (viii), by inserting after ''Federal office'' the following: '', or any amounts received by the committees of any national political party to support the operation of a television and radio broadcast facility'';

(B) by striking ''and'' at the end of clause (xiii);

(C) by striking clause (xiv); and

(D) by adding at the end the following new clauses:

''(xiv) any amount contributed to a candidate for other than Federal office;

''(xv) any amount received or expended to pay the costs of a State or local political convention;

''(xvi) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

''(xvii) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

''(I) overhead, including party meetings;

''(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

''(III) conducting party elections or caucuses;

''(xviii) any payment for research pertaining solely to State and local candidates and issues;

''(xix) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

''(xx) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).''.

(2) EXPENDITURES.—Section 301(9)(B) of such Act (2 U.S.C. 431(9)(B)) is amended—

(A) by striking ''and'' at the end of clause (ix);

(B) by striking the period at the end of clause (x) and inserting a semicolon; and

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

''(xi) any amount contributed to a candidate for other than Federal office;

''(xii) any amount received or expended to pay the costs of a State or local political convention;

''(xiii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

''(xiv) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

''(I) overhead, including party meetings;

''(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

''(III) conducting party elections or caucuses;

''(xv) any payment for research pertaining solely to State and local candidates and issues;

''(xvi) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

''(xvii) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).''.

(c) LIMITATION APPLIED AT NATIONAL LEVEL; PERMITTING COMMITTEES TO MATCH INDEPENDENT EXPENDITURES MADE ON OPPONENT'S BEHALF.—Section 315(d) of such Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (3), by striking ''The national committee'' and inserting ''Subject to paragraph (4), the national committee''; and

(2) by adding at the end the following new paragraph:

''(4)(A) Notwithstanding paragraph (3), the applicable congressional campaign committee of a political party shall make the expenditures described in such paragraph which are authorized to be made by a national or State committee with respect to a candidate in any State unless it allocates all or a portion of such expenditures to either or both of such committees.

''(B) For purposes of paragraph (3), in determining the amount of expenditures of a national or State committee of a political party in connection with the general election campaign of a candidate for election to the office of Representative, Delegate, or Resident Commissioner, there shall be excluded an amount equal to the total amount of independent expenditures made during the campaign on behalf of candidates opposing the candidate.''.

(d) LIMITATIONS APPLY FOR ENTIRE ELECTION CYCLE.—Section 315(d)(1) of such Act (2 U.S.C. 441a(d)(1)) is amended by adding at the end the following new sentence: ''Each limitation under the following paragraphs shall apply to the entire election cycle for an office.''.

SEC. 306. RESTRICTIONS ON FUNDRAISING BY CANDIDATES AND OFFICEHOLDERS.

(a) STATE FUNDRAISING ACTIVITIES.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by section 122, is further amended by adding at the end the following new subsection:

''(j) LIMITATIONS ON FUNDRAISING ACTIVITIES OF FEDERAL CANDIDATES AND OFFICEHOLDERS AND CERTAIN POLITICAL COMMITTEES.—(1) For purposes of this Act, a candidate for Federal office, an individual holding Federal office, or any agent of the candidate or individual may not solicit funds to, or receive funds on behalf of, any Federal or non-Federal candidate or political committee—

''(A) which are to be expended in connection with any election for Federal office unless such funds are subject to the limitations, prohibitions, and requirements of this Act; or

''(B) which are to be expended in connection with any election for other than Federal office unless such funds are not in excess of amounts permitted with respect to Federal candidates and political committees under subsections (a) (1) and (2), and are not from sources prohibited by such subsections with respect to elections to Federal office.

''(2)(A) The aggregate amount which a person described in subparagraph (B) may solicit from a multicandidate political committee for State committees described in subsection (a)(1)(C) (including subordinate committees) for any calendar year shall not exceed the dollar amount in effect under subsection (a)(2)(B) for the calendar year.

''(B) A person is described in this subparagraph if such person is a candidate for Federal office, an individual holding Federal office, an agent of such a candidate or individual, or any national, State, district, or local committee of a political party (including a subordinate committee) and any agent of such a committee.

''(3) The appearance or participation by a candidate for Federal office or individual holding Federal office in any fundraising event conducted by a committee of a political party or a candidate for other than Federal office shall not be treated as a solicitation for purposes of paragraph (1) if such candidate or individual does not solicit or receive, or make disbursements from, any funds resulting from such activity.

''(4) Paragraph (1) shall not apply to the solicitation or receipt of funds, or disbursements, by an individual who is a candidate for other than Federal office if such activity is permitted under State law.

''(5) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

''(A) holds a Federal office; or

''(B) holds a position described in level I of the Executive Schedule under section 5312 of title 5, United States Code.''.

(b) TAX-EXEMPT ORGANIZATIONS.—Section 315 of such Act (2 U.S.C. 441a), as amended by section 122 and subsection (a), is further amended by adding at the end the following new subsection:

''(k) TAX-EXEMPT ORGANIZATIONS.—(1) If an individual is a candidate for, or holds, Federal office during any period, such individual may not during such period solicit contributions to, or on behalf of, any organization which is described in section 501(c) of the Internal Revenue Code of 1986 if—

''(A) the organization is established, maintained, or controlled by such individual; and

''(B) a significant portion of the activities of such organization include voter registration or get-out-the-vote campaigns.

''(2) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

''(A) holds a Federal office; or

''(B) holds a position described in level I of the Executive Schedule under section 5312 of title 5, United States Code.''.

SEC. 307. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(d) POLITICAL COMMITTEES.—(1) The national committee of a political party and any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

''(2) A State, district, or local committee of a political party to which section 324 applies shall report all receipts and disbursements for the reporting period, including separate schedules for receipts and disbursements for State Grassroots Funds.

''(3) Any political committee shall include in its report under paragraph (1) or (2) the amount of any transfer described in section 324(d)(2) and shall itemize such amounts to the extent required by section 304(b)(3)(A).

''(4) The Commission may prescribe regulations to require any political committee to which paragraph (1) or (2) does not apply to report any receipts or disbursements used in connection with a Federal election, including those which are also used, directly or indirectly, to affect a State or local election.

''(5) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as subsection (b) (3)(A), (5), or (6).

''(6) Reports required to be filed by this subsection shall be filed for the same time periods required for political committees under subsection (a).''.

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of such Act (2 U.S.C. 431(8)) is amended by inserting at the end the following new subparagraph:

''(C) The exclusion provided in clause (viii) of subparagraph (B) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 (and disbursements therefrom) shall be reported.''.

(c) REPORTS BY STATE COMMITTEES.—Section 304 of such Act (2 U.S.C. 434), as amended by subsection (a), is further amended by adding at the end the following new subsection:

''(e) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.''.

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Section 304(b)(4) of such Act (2 U.S.C. 434(b)(4)) is amended—

(A) by striking ''and'' at the end of subparagraph (H);

(B) by adding ''and'' at the end of subparagraph (I); and

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

''(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;''.

(2) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of such Act (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking ''within the calendar year'', and

(B) by inserting '', and the election to which the operating expenditure relates'' after ''operating expenditure''.

TITLE IV—CONTRIBUTIONS

SEC. 401. RESTRICTIONS ON BUNDLING.

Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read as follows:

''(8)(A) No person, either directly or indirectly, may act as a conduit or intermediary for any contribution to a candidate.

''(B)(i) Nothing in this section shall prohibit—

''(I) joint fundraising conducted in accordance with rules prescribed by the Commission by 2 or more candidates; or

''(II) fundraising for the benefit of a candidate that is conducted by another candidate.

''(ii) No other person may conduct or otherwise participate in joint fundraising activities with or on behalf of any candidate.

''(C) The term 'conduit or intermediary' means a person who transmits a contribution to a candidate or candidate's committee or representative from another person, except that—

''(i) a House of Representatives candidate or representative of a House of Representatives candidate is not a conduit or intermediary for the purpose of transmitting contributions to the candidate's principal campaign committee or authorized committee;

''(ii) a professional fundraiser is not a conduit or intermediary, if the fundraiser is compensated for fundraising services at the usual and customary rate;

''(iii) a volunteer hosting a fundraising event at the volunteer's home, in accordance with section 301(8)(b), is not a conduit or intermediary for the purposes of that event; and

''(iv) an individual is not a conduit or intermediary for the purpose of transmitting a contribution from the individual's spouse.

For purposes of this section a conduit or intermediary transmits a contribution when receiving or otherwise taking possession of the contribution and forwarding it directly to the candidate or the candidate's committee or representative.

''(D) For purposes of this section, the term 'representative'—

''(i) shall mean a person who is expressly authorized by the candidate to engage in fundraising, and who, in the case of an individual, is not acting as an officer, employee, or agent of any other person;

''(ii) shall not include—

''(I) a political committee with a connected organization;

''(II) a political party;

''(III) a partnership or sole proprietorship;

''(IV) an organization prohibited from making contributions under section 316; or

''(V) a person required to register under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.).

''(E) For purposes of this section, the term 'acting as an officer, employee, or agent of any other person' includes the following activities by a salaried officer, employee, or paid agent of a person described in subparagraph (D)(ii)(IV):

''(i) Soliciting contributions to a particular candidate in the name of, or by using the name of, such a person.

''(ii) Soliciting contributions to a particular candidate using other than the incidental resources of such a person.

''(iii) Soliciting contributions to a particular candidate under the direction or control of other salaried officers, employees, or paid agents of such a person.

For purposes of this subparagraph, the term 'agent' shall include any person (other than individual members of an organization described in subparagraph (b)(4)(C) of section 316) acting on authority or under the direction of such organization.''.

SEC. 402. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING AGE.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 122 and 306, is further amended by adding at the end the following new subsection:

''(l) For purposes of this section, any contribution by an individual who—

''(1) is a dependent of another individual; and

''(2) has not, as of the time of such contribution, attained the legal age for voting for elections to Federal office in the State in which such individual resides,

shall be treated as having been made by such other individual. If such individual is the dependent of another individual and such other individual's spouse, the contribution shall be allocated among such individuals in the manner determined by them.''.

SEC. 403. PROHIBITION OF ACCEPTANCE BY A CANDIDATE OF CASH CONTRIBUTIONS FROM ANY ONE PERSON AGGREGATING MORE THAN $100.

Section 321 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441g) is amended by inserting '', and no candidate or authorized committee of a candidate shall accept from any one person,'' after ''make''.

SEC. 404. CONTRIBUTIONS TO CANDIDATES FROM STATE AND LOCAL COMMITTEES OF POLITICAL PARTIES TO BE AGGREGATED.

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)), as amended by section 121, is further amended by adding at the end the following new paragraph:

''(10) Notwithstanding paragraph (5)(B), a candidate for Federal office may not accept, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee) if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds a limitation on contributions to a candidate under this section.''.

SEC. 405. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after ''SEC. 322.'' the following: ''(a)''; and

(2) by adding at the end the following:

''(b) No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party.''.

SEC. 406. LIMITED EXCLUSION OF ADVANCES BY CAMPAIGN WORKERS FROM THE DEFINITION OF THE TERM ''CONTRIBUTION''.

Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)), as amended by section 305, is amended—

(1) in clause (xix), by striking ''and'' after the semicolon at the end;

(2) in clause (xx), by striking the period at the end and inserting: ''; and''; and

(3) by adding at the end the following new clause:

''(xxi) any advance voluntarily made on behalf of an authorized committee of a candidate by an individual in the normal course of such individual's responsibilities as a volunteer for, or employee of, the committee, if the advance is reimbursed by the committee within 10 days after the date on which the advance is made, and the value of advances on behalf of a committee does not exceed $500 with respect to an election.''.

SEC. 407. AMENDMENT TO SECTION 316 OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971.

Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended—

(1) by striking ''(2) For'' and inserting ''(2)(A) Except as provided in subparagraph (B), for'';

(2) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(3) by adding at the end the following:

''(B) Payments by a corporation or labor organization for candidate debates, voter guides, or voting records directed to the general public shall be considered contributions unless—

''(i) in the case of a candidate debate, the organization staging the debate is either an organization described in section 301 (9)(B)(i) whose broadcasts, cablecasts, or publications are supported by commercial advertising, subscriptions, or sales to the public, including a noncommercial educational broadcaster, or a nonprofit organization exempt from Federal taxation under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986 that does not endorse, support, or oppose candidates or political parties, and any such debate features at least 2 candidates competing for election to that office;

''(ii) in the case of a voter guide, the guide is prepared and distributed by a corporation or labor organization and consists of questions posed to at least two candidates for election to that office; and

''(iii) in the case of a voting record, the record is prepared and distributed by a corporation or labor organization at the end of a session of Congress and consists solely of votes by all Members of Congress in that session on one or more issues;

except that such payments shall be treated as contributions if any communication made by a corporation or labor organization in connection with the candidate debate, voter guide, or voting record contains express advocacy, or any structure or format of the candidate debate, voter guide, or voting record, or any preparation or distribution of any such guide or record, reflects a purpose of influencing the election of a particular candidate.''.

SEC. 408. PROHIBITION OF CERTAIN ELECTION-RELATED ACTIVITIES OF FOREIGN NATIONALS.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended by adding at the end the following new subsection:

''(c) A foreign national shall not directly or indirectly direct, control, influence, or participate in any person's election-related activities, such as the making of contributions or expenditures in connection with elections for any local, State, or Federal office or the administration of a political committee.''.

TITLE V—REPORTING REQUIREMENTS

SEC. 501. CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.

Paragraphs (2), (3), (4), (6), and (7) of section 304(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b) (2)–(7)) are each amended by inserting ''(election cycle, in the case of an authorized committee of a candidate for Federal office)'' after ''calendar year'' each place it appears.

SEC. 502. DISCLOSURE OF PERSONAL AND CONSULTING SERVICES.

(a) REPORTING BY POLITICAL COMMITTEES.—Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end the following: '', except that if a person to whom an expenditure is made by a candidate or the candidate's authorized committees is merely providing personal or consulting services and is in turn making expenditures to other persons (not including its owners or employees) who provide goods or services to the candidate or the candidate's authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed''.

(b) RECORDKEEPING AND REPORTING BY PERSONS TO WHOM EXPENDITURES ARE PASSED

THROUGH.—Section 302 of such Act (2 U.S.C. 432) is amended by adding at the end the following new subsection:

''(j) The person described in section 304(b)(5)(A) who is providing personal or consulting services and who is in turn making expenditures to other persons (not including employees) for goods or services provided to a candidate shall maintain records of and shall provide to a political committee the information necessary to enable the political committee to report the information described in section 304(b)(5)(A).''.

SEC. 503. POLITICAL COMMITTEES OTHER THAN CANDIDATE COMMITTEES.

Section 303(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(b)) is amended—

(1) in paragraph (2), by inserting '', and if the organization or committee is incorporated, the State of incorporation'' after ''committee''; and

(2) by striking the ''name and address of the treasurer'' in paragraph (4) and inserting ''the names and addresses of any officers (including the treasurer)''.

SEC. 504. USE OF CANDIDATES' NAMES.

Section 302(e)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)(4)) is amended to read as follows:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name, or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 505. REPORTING REQUIREMENTS.

(a) FILING ON THE 20TH DAY OF A MONTH.—Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended—

(1) in paragraph (2)(A)(iii), by striking ''15th'' and inserting ''20th'';

(2) in paragraph (3)(B)(ii), by striking ''15th'' and inserting ''20th'';

(3) in paragraph (4)(A)(i), by striking ''15th'' and inserting ''20th''; and

(4) in paragraph (8), by striking ''15th'' and inserting ''20th''.

(b) OPTION TO FILE MONTHLY REPORTS.—Section 304(a)(2) of such Act (2 U.S.C. 434(a)(2)) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(3) by inserting the following new subparagraph at the end:

''(C) in lieu of the reports required by subparagraphs (A) and (B), the treasurer may file monthly reports in all calendar years, which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-primary election report and a pre-general election report shall be filed in accordance with subparagraph (A)(i), a post-general election report shall be filed in accordance with subparagraph (A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year.''.

(c) POLITICAL COMMITTEES.—Section 304(a)(4) of such Act (2 U.S.C. 434(a)(4)) is amended in subparagraph (A)(i) by inserting '', and except that if at any time during the election year a committee receives contributions in excess of $100,000 ($10,000 in the case of a multicandidate political committee), or makes disbursements in excess of $100,000 ($10,000 in the case of a multicandidate political committee), monthly reports on the 20th day of each month after the month in which that amount of contributions is first received or that amount of disbursements is first anticipated to be made during that year'' before the semicolon.

(d) INCOMPLETE OR FALSE CONTRIBUTOR INFORMATION.—Section 302(i) of such Act (2 U.S.C. 432(i)) is amended—

(1) by inserting ''(1)'' after ''(i)'';

(2) by striking ''submit'' and inserting ''report''; and

(3) by adding at the end the following new paragraph:

''(2) A treasurer shall be considered to have used best efforts under this section only if—

''(A) all written solicitations include a clear and conspicuous request for the contributor's identification and inform the contributor of the committee's obligation to report the identification in a statement prescribed by the Commission;

''(B) the treasurer makes at least 1 additional request for the contributor's identification for each contribution received that aggregates in excess of $200 per calendar year and which does not contain all of the information required by this Act; and

''(C) the treasurer reports all information in the committee's possession regarding contributor identifications.''.

(e) WAIVER.—Section 304 of such Act (2 U.S.C. 434), as amended by section 307, is further amended by adding at the end the following new subsection:

''(f) WAIVER.—The Commission may relieve any category of political committees of the obligation to file 1 or more reports required by this section, or may change the due dates of such reports, if it determines that such action is consistent with the purposes of this Act. The Commission may waive requirements to file reports in accordance with this subsection through a rule of general applicability or, in a specific case, may waive or extend the due date of a report by notifying all political committees affected.''.

SEC. 506. SIMULTANEOUS REGISTRATION OF CANDIDATE AND CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE.

Section 303(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(a)) is amended in the first sentence by striking ''no later than 10 days after designation'' and inserting ''on the date of its designation''.

SEC. 507. REPORTING ON GENERAL CAMPAIGN ACTIVITIES OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) REPORTING REQUIREMENT.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by sections 307 and 505, is further amended by adding at the end the following new subsection:

''(g) CERTAIN COMMUNICATIONS BY CORPORATIONS AND LABOR ORGANIZATIONS.—(1) Any person making disbursements to pay the cost of applicable communication activities aggregating $5,000 or more with respect to a candidate in an election after the 20th day, but more than 24 hours, before the election shall file a report of such disbursements within 24 hours after such disbursements are made.

''(2) Any person making disbursements to pay the cost of applicable communications activities aggregating $5,000 or more with respect to a candidate in an election at any time up to and including the 20th day before the election shall file a report within 48 hours after such disbursements are made.

''(3) Any person required to file a report under paragraph (1) or (2) which also makes disbursements to pay the cost directly attributable to a get-out-the-vote campaign described in section 316(b)(2)(B) aggregating $25,000 or more with respect to an election shall file a report within 48 hours after such disbursements are made.

''(4) An additional report shall be filed each time additional disbursements described in paragraph (1), (2), or (3), whichever is applicable, aggregating $10,000 are made with respect to the same candidate in the same election as the initial report filed under this subsection. Each such report shall be filed within 48 hours after the disbursements are made.

''(5) For purposes of this subsection, the term 'applicable communication activities' means activities which are covered by the exception to section 301(9)(B)(iii).

''(6) Any statement under this subsection—

''(A) shall be filed in the case of—

''(i) disbursements relating to candidates for the House of Representatives, with the Clerk of the House of Representatives and the Secretary of State of the State involved, and

''(ii) any other disbursements, with the Commission, and

''(B) shall contain such information as the Commission shall prescribe.''

(b) CONFORMING AMENDMENT.—Section 301(9)(B) of such Act (2 U.S.C. 431(9)(B)) is amended by inserting ''and shall, if such costs exceeds the amount described in paragraph (1), (2), or (4) of section 304(g), be reported in the manner provided in section 304(g)'' before the semicolon at the end of clause (iii).

TITLE VI—BROADCAST RATES AND CAMPAIGN ADVERTISING

SEC. 601. BROADCAST RATES AND CAMPAIGN ADVERTISING.

(a) BROADCAST RATES.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) by amending subsection (b) to read as follows:

''(b)(1) Except as provided in paragraph (2), the charges made for the use of a broadcasting station by a person who is a legally qualified candidate for public office in connection with the person's campaign for nomination for election, or election, to public office shall not exceed the charges made for comparable use of such station by other users thereof.

''(2) In the case of an eligible House of Representatives candidate, during the 30 days preceding the date of the primary or primary runoff election and during the 60 days preceding the date of a general or special election in which the person is a candidate, the charges made for the use of a broadcasting station by the candidate shall not exceed 50 percent of the lowest unit charge of the station for the same class and amount of time for the same period.'';

(2) by redesignating subsections (c) and (d) as subsections (f) and (g), respectively;

(3) by inserting after subsection (b) the following new subsections:

''(c)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcast station by a legally qualified candidate for public office who has purchased and paid for such use pursuant to subsection (b)(1)(A).

''(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.

''(d) If any person makes an independent expenditure through a communication on a broadcasting station that expressly advocates the defeat of an eligible House of Representatives candidate, or the election of an

eligible House of Representatives candidate (regardless of whether such opponent is an eligible candidate), the licensee, as applicable, shall, not later than 5 business days after the date on which the communication is made (or not later than 24 hours after the communication is made if the communication occurs not more than 2 weeks before the date of the election), transmit to the candidate—

''(1) a statement of the date and time on which the communication was made;

''(2) a script or tape recording of the communication, or an accurate summary of the communication if a script or tape recording is not available; and

''(3) an offer of an equal opportunity for the candidate to use the broadcasting station to respond to the communication without having to pay for the use in advance.

''(e) A licensee that endorses a candidate for Federal office in an editorial shall, within the time period stated in subsection (d), provide to all other candidates for election to the same office—

''(1) a statement of the date and time of the communication;

''(2) a script or tape recording of the communication, or an accurate summary of the communication if a script or tape recording is not available; and

''(3) an offer of an equal opportunity for the candidate or spokesperson for the candidate to use the broadcasting station to respond to the communication.''; and

(4) in subsection (f), as redesignated by paragraph (2)—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

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

''(3) the terms 'eligible House of Representatives candidate' and 'independent expenditure' have the meanings stated in section 301 of the Federal Election Campaign Act of 1971.''.

(b) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of such Act (47 U.S.C. 312(a)(7)) is amended—

(1) by striking ''or repeated'';

(2) by inserting ''or cable system'' after ''broadcasting station''; and

(3) by striking ''his candidacy'' and inserting ''his or her candidacy, under the same terms, conditions, and business practices as apply to its most favored advertiser''.

(c) MEETING REQUIREMENTS FOR RATES AS CONDITION OF GRANTING OR RENEWAL OF LICENSE.—Section 307 of such Act (47 U.S.C. 307) is amended by adding at the end the following new subsection:

''(f) The continuation of an existing license, the renewal of an expiring license, and the issuance of a new license shall be expressly conditioned on the agreement by the licensee or the applicant to meet the requirements of section 315(b), except that the Commission may waive this condition in the case of a licensee or applicant who demonstrates (in accordance with such criteria as the Commission may establish in consultation with the Federal Election Commission) that meeting such requirements will impose a significant financial hardship.''.

SEC. 602. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in the matter before paragraph (1) of subsection (a), by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(2) in the matter before paragraph (1) of subsection (a), by striking ''an expenditure'' and inserting ''a disbursement'';

(3) in the matter before paragraph (1) of subsection (a), by striking ''direct'';

(4) in paragraph (3) of subsection (a), by inserting after ''name'' the following ''and permanent street address''; and

(5) by adding at the end the following new subsections:

''(c) Any printed communication described in subsection (a) shall be—

''(1) of sufficient type size to be clearly readable by the recipient of the communication;

''(2) contained in a printed box set apart from the other contents of the communication; and

''(3) consist of a reasonable degree of color contrast between the background and the printed statement.

''(d)(1) Any communication described in subsection (a)(1) or (a)(2) that is provided to and distributed by any broadcasting station or cable system (as such terms are defined in sections 315 and 602, respectively, of the Federal Communications Act of 1934) shall include, in addition to the requirements of subsections (a)(1) and (a)(2), an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(2) If a communication described in paragraph (1) contains any visual images, the communication shall include a written statement which contains the same information as the audio statement and which—

''(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

''(e)(1) Any communication described in subsection (a)(3) that is provided to and distributed by any broadcasting station or cable system described in subsection (d)(1) shall include, in addition to the requirements of that subsection, in a clearly spoken manner, the following statement—

' is responsible for the content of this advertisement.'

with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor.

''(2) If the communication described in paragraph (1) contains visual images, the communication shall include a written statement which contains the same information as the audio statement and which appears in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement for a period of at least 4 seconds.''.

SEC. 603. ELIGIBILITY FOR NONPROFIT THIRD-CLASS BULK RATES OF POSTAGE.

Paragraph (2) of section 3626(e) of title 39, United States Code, is amended—

(1) in subparagraph (A) by striking ''Committee, and the'' and inserting ''Committee, the'', and by striking ''Committee;'' and inserting ''Committee, and a qualified campaign committee;'';

(2) by striking ''and'' at the end of subparagraph (B);

(3) by striking the period at the end of subparagraph (C) and inserting a semicolon; and

(4) by adding at the end the following:

''(D) the term 'qualified campaign committee' means the campaign committee of an eligible House of Representatives candidate; and

''(E) the term 'eligible House of Representatives candidate' has the meaning given that term in section 301 of the Federal Election Campaign Act of 1971.''.

TITLE VII—MISCELLANEOUS

SEC. 701. PROHIBITION OF LEADERSHIP COMMITTEES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended—

(1) by amending paragraph (3) to read as follows:

''(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

''(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

''(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.''; and

(2) by adding at the end the following new paragraph:

''(6)(A) A candidate for Federal office or any individual holding Federal office may not establish, finance, maintain, or control any Federal or non-Federal political committee other than a principal campaign committee of the candidate, authorized committee, party committee, or other political committee designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office. This paragraph shall not preclude a Federal officeholder who is a candidate for State or local office from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or local office.

''(B) For 2 years after the effective date of this paragraph, any political committee established before such date but which is prohibited under subparagraph (A) may continue to make contributions. At the end of that period such political committee shall disburse all funds by one or more of the following means: making contributions to an entity qualified under section 501(c)(3) of the Internal Revenue Code of 1986; making a contribution to the treasury of the United States; contributing to the national, State or local committees of a political party; or making contributions not to exceed $1,000 to candidates for elective office.''.

SEC. 702. APPEARANCE BY FEDERAL ELECTION COMMISSION AS AMICI CURIAE.

Section 306(f) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(f)) is amended by striking out paragraph (4) and inserting in lieu thereof the following new paragraph:

''(4)(A) Notwithstanding the provisions of paragraph (2), or of any other provision of law, the Commission is authorized to appear on its own behalf in any action related to the exercise of its statutory duties or powers in any court as either a party or as amicus curiae, either—

''(i) by attorneys employed in its office, or

''(ii) by counsel whom it may appoint, on a temporary basis as may be necessary for such purpose, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title. The compensation of counsel so appointed on a temporary basis shall be paid out of any funds otherwise available to pay the compensation of employees of the Commission.

''(B) The authority granted under subparagraph (A) includes the power to appeal from,

and petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which the Commission appears pursuant to the authority provided in this section.''.

SEC. 703. PROHIBITING SOLICITATION OF CONTRIBUTIONS BY MEMBERS IN HALL OF THE HOUSE OF REPRESENTATIVES.

(a) IN GENERAL.—A Member of the House of Representatives may not solicit or accept campaign contributions in the Hall of the House of Representatives, rooms leading thereto, or the cloakrooms.

(b) DEFINITION.—In subsection (a), the term ''Member of the House of Representatives'' means a Representative in, or a Delegate or Resident Commissioner to, Congress.

(c) EXERCISE OF RULEMAKING AUTHORITY.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives, and as such this section is deemed a part of the rules of the House of Representatives and supersedes other rules only to the extent inconsistent therewith; and

(2) with full recognition of the constitutional right of the House of Representatives to change the rule at any time, in the same manner and to the same extent as in the case of any other rule of the House of Representatives.

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

SEC. 801. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act, but shall not apply with respect to activities in connection with any election occurring before January 1, 1997.

SEC. 802. SEVERABILITY.

(a) IN GENERAL.—Except as otherwise provided in this section, if any provision of this Act (including any amendment made by this Act), or the application of any such provision to any person or circumstance, is held invalid, the validity of any other provision of this Act, or the application of such provision to other persons and circumstances, shall not be affected thereby.

(b) EXCEPTIONS.—If any provision of subtitle A of title V of the Federal Election Campaign Act of 1971 (as added by title I) is held to be invalid, all provisions of such subtitle, and the amendment made by section 122, shall be treated as invalid.

SEC. 803. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court finding any provision of this Act or amendment made by this Act to be unconstitutional.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 804. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out the provisions of this Act within 12 months after the effective date of this Act.

The CHAIRMAN. Pursuant to House Resolution 481, the gentleman from California [Mr. FAZIO] and the gentleman from California [Mr. THOMAS] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. FARR] who has led the effort on our side of the aisle to propose an alternative to this very unfortunate bill.

Mr. FARR of California. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise urging my colleagues to support the bill that is under consideration, H.R. 3505. Mr. Chairman, this is a good bill. Let me tell the Members why. This bill imposes spending limits on political candidates. It reduces the influence on special interest money. It eliminates soft money. It corrals unregulated advocacy spending. It is a good bill because this is what the American people have asked for, and it is what they deserve: campaigns that are free of big money, free of powerful interests, and unregulated third party spending. It is a good bill because it brings sanity to an insane world of campaign finance reform. It is a good bill because it lets us say goodbye to the high-roller politics.

Let us take a look at what is happening in America. Right now there are no spending limits, and certainly under the bill of the gentleman from California [Mr. THOMAS], there are no limits. Candidates can spend whatever and however they want to spend. There is a $600,000 spending limit in a 2-year cycle under our bill. The American people want to see limits on what people spend in campaigns. They think there is too much money being spent in campaigns.

Earlier this year the League of Women Voters ran a series of citizen assemblies focused on the issues of campaign finance reform and found overwhelmingly: ''The citizens feel it is obscene to spend so much money on elections in this time of scarce public resources.''

In the last election cycle we in this Chamber, the Members who got elected in this Chamber, spent a total of $230.8 million to get elected, $230.8 million, and that does not even count our opponents, the people who ran against us. Those who ran against us spent $300 million or so trying to defeat us. On the average, together, those who got elected and those who did not, we spent over $500,000 each to get here. That is a lot of money. The trend is for more money to be spent, not less.

Over the last 10 years, the total amount spent by winning House candidates has just about doubled. Where are we going to be under the Thomas legislation 10 years from now? In the last 20 years, the total amount spent by winning House candidates has increased by more than 14 times. It is runaway. Not only is a lot of money being spent, it takes a lot of time to raise it.

If we end the money chase, our elections will focus more on issues and on policy debates and less on the issue of collecting dollars. That is what my bill seeks to do, to end the money chase. We debate here daily about tightening our belts and reducing Government spending. How many votes in the last few days or weeks have been cast on the floor where we were cutting appropriations, limiting Government expenditures? Why can we not do that for campaigns?

□ 1430

Why can we not cut, squeeze, and trim? The spending limits in the bill that I am offering are voluntary. They show a commitment on the part of the candidate to spend money wisely and responsibly. They put limits on the amount we can raise from PAC's. They put limits on the amount we can raise from wealthy people, on the amount of money a wealthy person can put into his or her own campaign. The opposition bill has no limits.

We ask this of our government bureaucrats. We ask it of welfare recipients. We should ask no less of politicians. I urge an ''aye'' vote on my bill.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to talk about two things about this bill that actually are good and go in the right direction and that are good enough to at least encourage me to reluctantly vote for the bill. First of all, we reduce from $5,000 to $2,500 per election the amount of money that a political action committee can give to a candidate. The previous speaker from Connecticut suggests that this means that working people and less affluent people will not have the same opportunities for political expression as a result of that and it is absolutely false.

The fact is that there is a tremendous difference between the character of a political action committee and the character of individual contributions. Individuals are infinitely complex. They are subtle. They are varied. They have a very wide spectrum of causes and concerns and issues that matter to them, whereas political action committees representing special interests that are based for the most part in Washington, DC, are thick. They are narrow. They have a very crude view of the political process, and it is fundamentally transactional. The first transactional is access; the second is influence; and, finally, the transaction is to get a vote.

On how many issues, how many votes in a 2-year cycle; maybe one, maybe five, certainly not many more than that. The idea, the game, is to get a specific result. That is not how individuals are. That is not how individuals contribute.

PAC's, political action committees, representing special interests, are an undermining influence on this U.S. Congress. The public knows that. Going from $5,000 to $2,500 is the right direction. It ought to be from $2,500 to zero.

The second thing that is good about this bill is that it requires a majority

of the contributions must come from individuals who live inside the district which is electing that particular person to the Congress.

Mr. FAZIO of California. Mr. Chairman, I yield 2½ minutes to the gentleman from Georgia [Mr. LEWIS] who hails from the Olympic capital, Atlanta.

Mr. LEWIS of Georgia. Mr. Chairman, I rise today to urge my colleagues to oppose this so-called Thomas campaign finance reform bill. The Thomas bill is a shame, a sham, a scam. It is a farce, it is a joke, because it is not reform at all. This is a special interest bill designed to allow the superwealthy to funnel hundreds of thousands of dollars into the Republican campaign coffers.

The American people are in agreement. Our political process is sick. It is corrupt. There is too much money, too much special interest influence on our elections. But that is Dr. GINGRICH's prescription for this problem? Well, testifying before the Committee on House Oversight, GINGRICH said there was not too much money in our political process, there was too little. Far more money is needed, he contended.

Well, this bill is Dr. GINGRICH's solution. It would increase the ability of superwealthy people to influence our election. In fact, in its original form this bill would have allowed an individual to donate more than $3 million to Republican coffers. Only when the Democrats in the House exposed this scandal did the Republicans change this bill overnight.

Mr. Chairman, NEWT GINGRICH has succeeded in funneling between $10 and $20 million into campaigns through his personal political slush fund, GOPAC, without ever reporting a single dime. It is alleged that he used nonprofit groups to further channel funds to his pet political projects.

Mr. Chairman, this bill will open the floodgates of special interest funds. This bill is the Republican way to do under the law what must now be done by going around the law.

This bill, not Medicare, Mr. Chairman, deserves to wither on the vine. Let me say it again, Mr. Chairman: This bill, not Medicare, deserves to wither on the vine.

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman is from the Olympic city and just as the IBM computers are garbling the various statistics and data going on at the Olympics, I think we are beginning to see that in terms of the dollar amounts involved in these various bills, so I think it is time to review the bidding.

We have a $1,000 amount for individuals, indexed prospectively. The Democrats have the same amount. For PAC's we have $2,500. They have $8,000 in an election cycle, $5,000 in an election, twice as much as we do. On the aggregate amount that an individual can give a party, they have $100,000, we have $100,000.

So when you get wound up in your rhetoric about what our bill does versus the Farr bill, please, it's the same amount on individuals, half as much on PAC's, and the same amount on aggregate amount to parties.

Where we went wrong temporarily was listening to Don Fowler, the chairman of the Democratic National Committee, who said they should be unlimited to parties and that the amount that individuals could give should be $2,500. We put that in the bill. When we examined it more closely, we decided he was a bit too exuberant. So when you look at the numbers, please keep in mind facts and reality.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FAWELL], the chairman of an extremely important subcommittee of the Committee on Economic and Educational Opportunities which has given us a very valuable addition to the bill known as the Worker's Right To Know.

Mr. FAWELL. I thank the gentleman for yielding me this time, Mr. Chairman, and I rise in opposition to the substitute and in support of the Thomas bill.

Mr. Chairman, I would like to, as the gentleman from California [Mr. THOMAS] has indicated, center my comments in regard to title IV. But I do want to laud the gentleman from California [Mr. THOMAS]. I know of no man in this Congress who more avidly pursues campaign reform, and whatever topic he goes after, he does it, I think, in a very fine, workmanlike manner. I commend him. I think that nothing is perfect, but I think this gentleman has done a service for the Congress.

Mr. Chairman, the Worker Right to Know Act, I think, can be, understandably, easily misunderstood; and there is a proclivity, I think, to misunderstand it. I would summarize it as being a procedural Bill of Rights, constitutional rights to the workers of America, and something that can give them some empowerment.

It implements the Beck decision, which was passed by the Supreme Court back in 1988 and never really has had any implementation from the National Labor Relations Board. Basically, what it states is this: A union cannot accept noncollective-bargaining dues from workers without having their written consent.

There are not many workers in America who are going to object to something like that as being terrible. In addition, it also puts an obligation of disclosure upon unions, and it states that at the time that you wish to collect these noncollective-bargaining dues from union members, at the same time you have to disclose the ratio between noncollective-bargaining dues and collective-bargaining dues. And that is only reasonable because it is not the union workers who understand these ratios.

Obviously, the union has all this knowledge. So why do they not easily share it with their membership? There is nothing wrong with that. So what we have here is notice and consent and disclosure. I just cannot see where many people can get too uptight about something like that.

There is also a provision that the union in reporting its expenses should do so by functional classification so as to be able to better serve their membership so the membership can better ascertain how the money is being spent in terms of, again, collective bargaining and noncollective bargaining.

What in the world is wrong with that? Compare it to the current procedure that exists today. The Supreme Court indeed has said that a worker has the right to object to paying noncollective-bargaining dues. But if you are a worker, you should have come to our hearings and listened to what the workers of America had to say about what they have to go through in order to be able to exercise these rights.

They really do not know what procedures; it varies from union to union. In fact, a poll showed that 78 percent of all the union workers, at least of some, I think 2,000 or 3,000 of union workers that were polled, perhaps more than that, 78 percent did not even know they had the right to object to paying noncollective-bargaining dues. They were not even aware of that.

The stories they told to our subcommittee, oftentimes they face great intimidation, they have to resign from the union. So here is this poor guy who comes along or this gal, and she wants to object to the fact that her dues might be being used for political purposes that she does not agree with. Forty percent of the workers are voting Republican, by the way. And they tell her, ''You've got to resign.'' They kick her out of the union because she brings this up.

We are not even changing that, by the way. After they have to resign from the union, which is customarily what happens, we know they still have to continue to pay collective-bargaining dues. But we do not change the law which states they have nothing to say, they have to give up all their rights of membership which means they have no right to vote on a strike or not to strike, or any of the other crucial decisions. They have to give all that up. We are not even altering that law.

We are just basically saying, do you not think it would be a good idea if the worker has the right to opt in rather than have the burden of opting out? Is that not fair?

In my district, there are groups of labor union workers who are endorsing this concept. They look upon it as a nice piece of democracy that will strengthen the union. I hope that Members will look at it that way, too. This is minority rights, and it is something that we all ought to endorse as a good, decent part of this Thomas legislation.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MILLER], a strong advocate of working men and women in this country.

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

Mr. MILLER of California. Mr. Chairman, campaign money at its current levels in the Congress of the United States is dangerous to our democracy, it is toxic to our system, it is corrosive of our values and it is corrupting of this institution. It is time that we get it under control and that once again we allow average men and women in this country to participate. But unfortunately the legislation brought forth by the Republicans does not do that. It does not do that because in fact, as the gentleman just explained, it makes it more difficult for working men and women to participate in campaigns while making it easier for the wealthy of this country to participate. It still allows soft money, which has become the sewer of campaign money, to run unregulated and has nothing to do about that.

Soft money. I bet a lot of Americans wish they had soft money. They only have hard money, money that they work hard for every day. But some people are so wealthy they have soft money. It is given out in $20,000 and $30,000 and $50,000 and $100,000 bundles to parties, to unregulated activities, to influence campaigns.

□ 1445

What has been the result? Well, we saw what the results were with Republicans when in the first 100 days during the Contract on America, they were raising money in unprecedented levels. They threw open the doors of the offices around here to lobbyists to write legislation. They created the Thursday Club so lobbyists could come in and consult with them, but you could not get in the room unless you gave them campaign money. Campaign money bought you access to that room. Mr. and Mrs. America could not get in that room, but if you gave them enough money for their party, for their candidates, then you could get in that room and you could rewrite the Clean Water Act, the Clean Air Act. You could rewrite the regulations, the Endangered Species Act if you gave them enough campaign money. Congressman DELAY made it clear, if you are not on the list, if you were not contributing, you do not get to participate.

What happens to the rest of the American citizenry that cannot come to Washington, that cannot give soft money, that cannot give hundreds of thousands of dollars? Under the Thomas bill, they are out of luck, but so is democracy when we start excluding those kinds of individuals.

Mr. THOMAS. Mr. Chairman, I yield myself 30 seconds to place in the RECORD a letter from Common Cause. It starts out, ''Dear President Clinton: According to recent news reports, the Democratic National Committee has promised special access to you and other top administration officials in exchange for large campaign contributions,'' et cetera, et cetera, et cetera.

The letter referred to follows:

COMMON CAUSE,
Washington, DC, July 5, 1995.

DEAR PRESIDENT CLINTON: According to recent news reports, the Democratic National Committee (DNC) has promised special access to you and other top Administration officials in exchange for large campaign contributions.

We call on you immediately to end these fundraising tactics, and to publicly make clear that neither you nor members of your Administration will engage in such activities.

According to an article published in the Chicago Sun-Times:

For $100,000, a contributor gets two meals with you and two meals with Vice President Gore, as well as a slot on a foreign trade mission with party leaders, and other benefits such as a daily fax report and an assigned DNC staff member ''to assist them in their personal request.''

For $50,000, a contributor gets invited to a reception with you, one dinner with Vice President Gore, two special high-level briefings, and other benefits.

For $10,000, a contributor gets invited to a presidential reception, a dinner with Vice President Gore and ''preferred'' status at the 1996 Democratic Convention.

In promoting this fundraising approach, the DNC has apparently surveyed the ''access and influence'' marketplace, toted up a price tag, published a catalog and advertised a sale of your time and attention, as well as that of the Vice President and other top Administration officials.

There is no defense for this. It is not enough to say that this type of fundraising is just an unfortunate part of the current campaign finance system. Nor is it enough to say that past Administrations have engaged in similar sales of access to the Presidency.

This is wrong, pure and simple. Every American knows that it is wrong and your own statements make clear that you know it is wrong.

In your book, ''Putting People First,'' you said that American politics ''is being held hostage by big money interests . . . while political action committees, industry lobbies, and cliques of $100,000 donors buy access to Congress and the White House.''

Yet despite your own statements, you are now participating in a fundraising effort that will allow ''cliques of $100,000 donors'' to ''buy access'' to *your* White House. This kind of fundraising perpetuates the all too prevalent cynicism in this country that our government is for sale, that the wealthy have privileged access to elected officials and that special-interest money dominates the political process to the benefit of the few at the expense of the many.

Most Americans could not even dream of making a $100,000 campaign contribution. The vast majority of Americans earn far less than $100,000 a year. It is tremendously disillusioning for the American people to see privileged access sold to those who are already the most privileged in our society.

The DNC's fundraiser makes explicit what is often only implicit in campaign fundraising: that in exchange for large campaign contributions, you can buy the time and attention of this Nation's elected officials. The fundraiser also is a perfect illustration of the corrupting evils of the existing soft money system, where large contributions of $100,000 or more are again part of the American presidential election system, just as they were during the Watergate era.

President Clinton, we strongly urge you to end this blatant peddling of access to your Presidency. We call on you to publicly announce that you are closing down the DNC's sale of access, and to make clear that neither you nor any member of your Administration will participate in the activities offered by the DNC in exchange for large campaign contributions.

Sincerely,

ANN MCBRIDE,
President.

Mr. Chairman, I yield 2½ minutes to the gentlewoman from California [Mrs. SEASTRAND], an in-the-flesh working woman.

Mrs. SEASTRAND. Mr. Chairman, I rise in opposition to the substitute bill and support the Thomas bill.

As we consider the Worker Right to Know Act included in the campaign finance reform bill, some have suggested that this is a solution in search of a problem, that unions today rarely, if ever, bring pressure to bear on workers to join the union. Unfortunately, such assertions ignore the reality of what is really taking place in many American workplaces.

As evidence of this fact, I would like to draw Members' attention to the following excerpt from a newsletter published by the International Brotherhood of Electrical Workers in their October 1995 newsletter. I quote: ''Employees who elect to become agency fee payers—that is, who choose not to become full-fledged IBEW members—forfeit the right to enjoy a number of benefits available only to members. Among the benefits available only to full union members are the right to attend and participate in union meetings; to nominate and vote for candidates for union office; the right to participate in contract ratification and strike votes; the right to participate in the formulation of IBEW collective bargaining demands; and the right to serve as delegates to the international convention.''

Now, if this were not subtle enough, I would point out the letter Mr. Gary Bloom of Medina, MN, received from local 12 of the Office of Professional Employees Union. In their correspondent with Mr. Bloom, the union was very direct when they informed Mr. Bloom: ''If you choose not to be a member of local 12, I shall have no alternative but to request GHI that your employment be terminated.''

The fact of the matter is that every day unions are bringing extreme pressure to bear on American workers to join their ranks, including threats of reprisal and termination of employment. Moreover, once they have pressured these workers to join the union, they then often take dues from those workers and spend them on political or social causes which the worker may not support.

So the contentions of organized labor notwithstanding, the fact is that there is a problem out there today in the American workplace with respect to mandatory assessment of union dues, and it is the one that affects the wages of working men and women across this country.

The Worker Right to Know Act will address that problem by simply requiring that the union tell workers how

their dues are spent and then ask permission to spend those dues on noncollective bargaining purposes. When you get right down to it, it is really an issue of basic fairness, and I urge my colleagues to support the Worker Right to Know Act and oppose this substitute bill.

Mr. FAZIO of California. Mr. Chairman, I include for the RECORD at this point letters condemning this legislation offered by the majority from Common Cause and Public Citizen.

The letters referred to follows:

COMMON CAUSE,
Washington, DC, July 24, 1996.

DEAR REPRESENTATIVE: The repackaged Thomas bill—H.R. 3820—is phony reform that locks in the corrupt status quo, leaves open the floodgates for special-interest PAC money and increases the amount that wealthy individuals can contribute to influence federal elections.

Any Member of Congress who votes for the Thomas bill is voting to protect the corrupt way of life in Washington, DC.

H.R. 3820 codifies and expands the soft money system—the most flagrant and corrupt abuse in politics today. This system allows unlimited corporate, union and huge individual contributions to be laundered through the political parties to affect federal elections.

Any Member of Congress who votes for H.R. 3820 is giving a personal blessing and a personal stamp of approval to the corrupt soft money system.

H.R. 3820 fails to make any real reductions in the PAC system of funding House races. If the Thomas bill had been in effect during the last election, it would have cut less than nine percent of PAC contributions and would have continued the PAC incumbent protection system where 72 percent of PAC funds go to incumbents (and 10 percent go to challengers) and where 90 percent of incumbents are reelected.

Any Member of Congress who votes for H.R. 3820 is personally endorsing the status quo PAC system and the incumbent protection it provides.

H.R. 3820 doubles the amount that wealthy individuals can give in hard money to candidates and parties. Under H.R. 3820, an individual could give $100,000 per election cycle—an amount that is more than three times the annual income of the average American wage earner.

Any Member of Congress who votes for H.R. 3820 is speaking out for more access and influence in the political system for the wealthiest people in America and less for average American wage earners.

The Thomas bill is a fraud. Any Member of Congress who wants real reform will simply refuse to go along with this charade and will vote no on H.R. 3820.

Sincerely,

ANN MCBRIDE,
President.

PUBLIC CITIZEN,
Washington, DC, July 25, 1996.

DEAR REPRESENTATIVE: Late in the day on Wednesday, Rep. Bill Thomas (R–CA) released amendments to his campaign finance bill, H.R. 3820. The amendments do away with the extraordinary increases in contribution limits, but they do not make H.R. 3820 real reform. It is still a big step in the wrong direction on campaign finance and should be defeated. We urge you to vote NO on H.R. 3820.

Despite the changes, the underlying philosophy of the H.R. 3820 bill remains the same—that there is not enough money in politics. That premise is fundamentally wrong, and therefore, H.R. 3820 still is not worthy of the title of ''Reform.'' In particular, we oppose this bill because it:

Gives congressional approval to the disgraceful soft money system, under which corporations, labor unions, and wealthy individuals contributed nearly $60 million to the national political party committees last year.

Opens a huge new avenue for the parties to spend that soft money (which would be illegal if contributed to federal candidates) by allowing them to spend unlimited amounts of soft money on ''communications'' with their members. This provision will lead to unlimited corporate funded newsletters, bulletins, and ads from the opposing party attacking Members of Congress starting on the very first day of the Congress.

Doubles the annual total amount that wealthy individuals can contribute to PACS, parties, and candidates. Only 167,000 contributions of $1,000 were made to federal candidates in the 1994 cycle—less than 7/100 of a percent of the American public. There is simply no justification for giving additional ''buying power'' to the very rich in our country. (The Democratic alternative contains a similar increase in the annual aggregate contribution limit. But unlike H.R. 3820, that alternative bans soft money. The new aggregate limit in the Democratic bill allows individuals to make additional contributions to state party ''Grassroots Funds'' to pay for activities that heretofore were generally financed with soft money; it maintains the aggregate limit in existing law for contributions to candidates, PACs, and parties. H.R. 3820 preserves soft money and allows wealthy individuals to make additional hard money contributions to candidates, PACs, and parties. That is not reform.)

Fails to significantly reduce PAC funding of campaigns because it has no aggregate limit for PAC contributions. A cut in the PAC limit to $2,500 per election will have only a slight effect on PAC giving, and that limit will in any event be raised to $3,000 per election in 1999 because of the indexing provisions of the bill.

Provides for a 50% increase in the individual contribution limit in 1999 under the new indexing provisions. This provision will magnify the influence of the tiny portion of the public able to make the maximum contribution, further alienating people of average means from political process.

Perpetuates incumbent campaign spending advantages through in-district fundraising requirements that impose de factor spending limits on candidates who lack financial support from the wealthy elite in their district.

Fails to prohibit bundling by corporate executives who are not technically lobbyists but wield great influence in the legislative process.

Promotes independent attacks on candidates in the form of ''issue ads'' by writing into law the most restrictive and unrealistic definition of ''express advocacy''.

The Thomas bill will not solve the campaign finance problem, and in many respects will make it much worse. Members who truly wish to respond to the public's desire for real reform will vote NO on H.R. 3820.

Thank you for your consideration.

Sincerely,

JOAN CLAYBROOK,
President.

ROBERT F. SCHIFF,
Staff Attorney, Congress Watch.

Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Chairman, our Founding Fathers envisioned a government of the people, by the people and for the people, a Government made up of citizens from all walks of life, rich and poor, not just the elite.

As we have seen in recent elections, a well-financed candidate can practically buy their way to victory. The Republican bill will continue to increase the influence of wealthy candidates and special interest pandering. My colleagues, if you are serious about campaign finance reform, I urge Members to support the Farr substitute.

The Farr substitute is real campaign finance reform. This timely legislation will place voluntary limits on campaign spending and most importantly will limit candidates' personal expenditures, effectively leveling the playing field for all candidates. The American people deserve the effective spending limits, soft money reforms and PAC reforms included in the Farr substitute.

Mr. Chairman, I am saddened to see the American public becoming more and more disenchanted with the political process. The American democracy was built on equal opportunity. Right now I am not so sure the ordinary Americans have a place and a voice in the political arena. The average American should not only have the opportunity to run for an elected office, but to run and win.

I remember a time when political campaigns were determined by the moral character and message of the candidate, not the money in their pocket. Let us turn back the clock for the American people. Vote for real campaign reform. Vote yes on the Farr substitute.

We have talked about campaign finance reform for a long time around here, but somehow, some way, we have got to put an aggregate number, a ceiling on campaign spending. Let us support the Farr substitute.

Mr. THOMAS. Mr. Chairman, I yield myself 30 seconds, and I am going to try it one more time.

Their limit is voluntary. If someone wants to spend as much money as they want, all the rules are out; they do not control spending. What we do is change the rules. If a wealthy candidate wishes to exercise their rights, we allow parties, we allow individuals, we allow PAC's to assist a candidate against the person who exercises their constitutional rights. They do not have a solution, they have an argument.

Mr. Chairman, I yield 2½ minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman from California for yielding me the time.

Mr. Chairman, I rise in support of the Worker Right to Know Act, which is title IV of the campaign finance bill we are now considering. In doing so, Mr. Chairman, I must take issue with the suggestion from my colleagues on the other side of the aisle that it is Republicans who have politicized the issue of compulsory union dues. After all, it was at a special convention of the

AFL–CIO that the union announced that it would impose a special assessment on every union member to fund the union's election-year political campaign, a campaign in which the union made its intentions clear, to attack Republican Members of Congress.

Also at the convention, the leadership announced its endorsement of the Clinton-GORE reelection campaign. So here you have the Washington union bosses taking more money out of the pockets of union members without any input from the rank and file for the explicit purpose of funding the President's reelection campaign and attacking House Republicans, all of this when recent polling shows that nearly half of union members vote Republican.

It has also been suggested by my colleagues on the other side that Republican interest in compulsory union dues is nothing more than a recent political response to the AFL–CIO's transparent attempt to buy the November elections. Unfortunately, such assertions ignore the facts. The fact of the matter is that since 1985, congressional Republicans have introduced more than 20 separate pieces of legislation aimed at providing workers with greater control over their union dues.

So let us be clear on this point, it is Washington union bosses and their supporters in the Democrat Party that have recently politicized the issue of compulsory union dues and Republicans who have been working for years to give employees a greater say in how their dues are spent.

We may disagree on the policy, but American workers deserve our honesty with regard to politics. I urge my colleagues to support the Worker Right to Know Act.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, I want to thank again the ranking member for yielding me the time.

Mr. Chairman, I have listened to the gentleman from California [Mr. THOMAS] trying to justify a similarity between the substitute in the Republican bill on limits. Good try, just not accurate. You have not explained the fact that with soft money under the Republican bill, millions of dollars can be poured in by special interest and by corporations into our national parties, into our State parties and can be funneled into local elections. The substitute bans soft money.

Yes, it is true that we have a voluntary $600,000 limit. The Republicans have no limit in their bill. But let me explain that voluntary limits have worked, it worked in our Presidential campaign. It is consistent with the Constitution. If we do not try to limit the amount of money being spent, with recent trends we are going to find the average campaign over $1 million.

We also discourage independent expenditures. The Republican bill does nothing about that. We have limits on large contributors. The Republican bill does nothing but encourage more money from large contributors. The substitute will reduce the amount of money being spent in campaigns, the Republican bill will increase it.

Mr. Chairman, I urge my colleagues to support the substitute.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentlewoman from Washington [Mrs. SMITH].

Mrs. SMITH of Washington. Mr. Chairman, both sides argue good points and there are some I agree with. If they were just standing here on the floor with a provision that would say union members get to know, I would be voting for it because my husband is union and we need to know and be asked before they spend our money, but that is not what we are talking about.

What we are talking about today is a bill that does not change anything, anything with what happens here in Washington, DC. Every night Members of Congress can still hold their fundraisers across the street and raise, listen to this, 50 percent of their money at these fundraisers because there is no aggregate cap. If they raise $1 million, they can raise $500,000 at these PACs' fundraisers. This does not change anything.

But worse yet, tobacco money still can be funneled through the parties, made legitimate by the Republican bill; funneled through in hundreds of thousands and millions of dollars, to be then funneled through to candidates.

Mr. Chairman, what is worse, wealthy people now prevail. I go home to blue-collar America, folks, and we cannot afford $25 a month, much less $25,000 to $50,000 and more.

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

Mr. Chairman, I would suggest to the gentlewoman from Washington that if she is able to raise $500,000 from individuals back home, she does not have to come to Washington, because the whole concept is she would have already won the election because every one of those people she talked to back home has a vote.

When you have a majority required from your district, you are not only raising money, you are raising votes. That is the concept of the underlying bill.

Let me take just a minute, because I think it is time to exercise the ''gotcha rule.'' You have heard the Democrats and the gentleman from Maryland go through and extol the virtues of their bill versus ours. What they will never do is talk about the fine print. That is our job, so I will do it: Gotcha.

Take a look at section 304 of the Democrat campaign reform bill. Currently, corporate contributions cannot be admitted in Federal political campaigns. What they are not telling us is that they have a provision in their bill, section 304, which says corporate funds from credit card royalties are to be converted into Federal PAC contributions. If you take out a credit card, and we have all seen these schemes with various organizations, and it says ''Democratic Party'' on it, the royalties that come from the corporation that sold the credit card and carried on the processing of the papers are magically converted into Federal funds.

□ 1500

They will not tell us that. They will criticize our bill on the time they are supposed to be explaining their bill, so I thought I would. Gotcha.

Mr. Chairman, I yield 3½ minutes to the gentleman from Pennsylvania [Mr. GREENWOOD], one of the more thoughtful Members of the House.

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

Mr. Chairman, I rise today in opposition to the Farr substitute and in support of H.R. 3820

As many Members of this body are aware, I have had serious reservations about some provisions of the Republican campaign reform bill. When we opened debate on this key reform proposal, I envisioned a new day in American politics: A crisp November morning when the stars and stripes that fly above our city and town halls, our local schools and in our parks would honor an electoral process free from the corruption of special interests; an election day morning when Americans could go to the polls and cast their votes realizing that their political involvement was again valued in our campaign system.

Over the last 16 years I have been a candidate in 15 elections. During my career in the State legislature, in the State senate, I accepted PAC contributions; but since my election to the Congress 4 years ago, I have not accepted PAC checks, and I love the difference. In 1992 I defeated a 14-year incumbent who received the vast majority of his contributions from outside our Philadelphia suburban district.

These experiences, as well as my long-time commitment to reforming our Nation's electoral process, led me to take an active role in this debate.

Indeed, during the Committee on Rules consideration of this bill, I offered amendments. My provisions would have banned connected PAC's, which are corporate or labor union PAC's that use union or corporate treasuries to subsidize their administrative and solicitation costs.

In addition, my amendments would have eliminated the retroactive indexing originally in this bill and brought both individual and PAC contribution levels down to $1,000. Unfortunately, I was not offered the opportunity to offer my amendments before this body.

The Republican campaign finance reform bill, even with the manager's amendment, has a number of weaknesses, in my view. It does fail to adequately address real PAC reform and to remove the special interests from our electoral system. This legislation also maintains a disparity between the individual and PAC contribution limits,

and injects more money into the electoral system through increases in the aggregate contribution limit.

I do not believe this is a comprehensive campaign finance reform package, yet acknowledging these weaknesses, this legislation is a step forward and a step forward for which the gentleman from California [Mr. THOMAS] should be commended, and I will vote for the bill as amended.

By cutting the PAC contribution limit in half and requiring that 50 percent of the candidate's campaign funds come from inside one's district, this bill does work to return elections to individual Americans. Furthermore, this reform package includes provisions to reduce the influence of wealthy candidates, to eliminate leadership PAC's and bundling, and to encourage grass roots volunteers and increased FEC disclosure.

In conclusion, Mr. Chairman, I see the passage of this legislation not as the conclusion of our campaign finance debate but rather as a beginning, the beginning of a true commitment by the Republicans in this Congress to craft real campaign finance reform. I am confident and hopeful that we can and will use this legislation as a starting point from which to launch our debate on this difficult and crucial issue in the next Congress.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. BARRETT], a strong advocate of reform.

Mr. BARRETT of Wisconsin. Mr. Chairman, I thank the gentleman from California for yielding me this time.

Mr. Chairman, this is a disappointing day for Congress, but more than that, it is a disappointing day for the people of this country, because they were promised that we would have campaign finance reform in this Congress.

Instead of getting campaign finance reform, we are getting campaign finance deform, because what this bill that has been presented by the Republicans does, it allows wealthier Americans to have more influence in the political system. I would venture to guess if we put a poll to the American people and asked them if they want wealthy Americans to have more influence in this system, overwhelmingly the people would say no.

For as long as there is going to be politics, Democrats will complain about Republican money and Republicans are going to complain about Democratic money. The only way to resolve this problem is to take some of the money out of the system, to lower the amount that candidates can spend, and that is what the Farr alternative attempts to do.

The Republican bill does not do that. In fact, the Republican bill is based on the premise there is not enough money in this system. That is ludicrous. The problem is there is too much money. Vote down the Republican alternative. Support the Farr alternative.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in opposition to H.R. 3820, the Republican campaign finance reform bill before us today. This bill only further solidify the stranglehold of special interests on our representative process. It is not true reform.

It is interesting to note the manner in which the Republican leadership has handled this issue. With much fanfare they made the campaign finance reform bill the centerpiece of a proposed reform week. Just as the reform week turned out to be a sham, so too has this campaign finance reform bill.

The American people want less, not more money in the electoral process. H.R. 3820, the Republican bill, increases the amount of money in the electoral process. It increases the amount a wealthy individual can give to a campaign, it increases the aggregate amount a wealthy individual can give to all campaigns in general, and it increases the amount that wealthy individuals can give to the parties.

We must increase participation of average people in our country, not the participation of the wealthiest individuals and the participation of even more money.

We do have a chance today to reform campaign finance, but it is through the passage of Representative FARR's campaign finance reform bill, not through the Republican campaign finance sham. The Democratic alternative being offered today reduces the amount of money in politics. It imposes a voluntary limit on campaign spending.

I urge my colleagues to support the Democratic alternative, which is true campaign finance reform, and to oppose the Republican leadership's bill, which is a campaign finance promotion bill.

It is time to deliver our system out of the hands of the special interests which control it and back into the hands of the American people. We have a responsibility to remove obstacles of participation in the electoral process for the American people. We can do that by passing the Farr legislation today and rejecting the Republican leadership sham.

Mr. HOEKSTRA. Mr. Chairman, I thank my colleague for yielding time to me.

As it concerns the wealthy individuals, the Republican bill and the Democratic bill are almost identical. The Republicans limit individual contributions to $1,000. On PAC's, we say that wealthy individuals or any individual can only give $2,500 to a PAC.

The Democratic side says we will be cheaper than that. We will only give $5,000. I think it is kind of like the Democratic math again. They let wealthy candidates give more money to PAC's than Republicans do.

On the aggregate amount, Republican and Democratic bills have the same amount. So I think the previous speaker misrepresented what is in the Republican bill.

But let us take a look at what this bill does. It is genuine movement forward: Fifty percent in-district; provisions for wealthy candidates; provisions for carryover funds; reduced PAC funding; bans leadership PAC's; and goes after compulsory dues.

The bottom line: This is genuine reform in the Republican bill. It is progress. It is not perfect but it is a significant step forward. I urge support of the Thomas bill.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BERMAN].

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

Mr. BERMAN. Mr. Chairman, I have a somewhat different position than many of my party on this particular proposal. I think many of its provisions are very interesting. The idea of strengthening political parties, frankly, prior to the amendments the gentleman made in the Committee on Rules, the notion of opening up larger individual contributions made sense to me.

There are many interesting ideas for participation in this process that I respect and that I think are worth seriously discussing. But I would suggest the provisions the majority has included in this bill dealing with union members and union dues demonstrates a level of animus, hostility, and hypocrisy. A deregulatory majority that speaks with such passion about the onus on the average person of government regulation, in the context of a series of laws that protect and require union democracy, elected representatives, have prohibited closed shops, have made compulsory unionism through union shop agreements weaker by allowing dues, who through the Beck decision have provided for rebate of monies spent that are not directly related to the collective bargaining process, by adding to all those existing schemes, a process that is so regulatory, which is so costly to the union movement, and which so denies the premises of elected representation and rule of the majority in that political process, demonstrates a hypocrisy which undermines the credibility of the entire bill.

This should never have been put that in. It takes away from the arguments about political pluralism, participation, and how to broaden it. It demeans the very subject the gentleman claims to try to reform by doing it.

I find it ironic that so many of the speakers from the majority party who speak on this issue do not focus upon the campaign reform provisions in this. They come in here to bash the unions, to bash the representatives of the working people of this country. They are not just trying to reform a political process and a campaign finance process, they are trying to tilt it against

the interests that the union movement has always held historic, the protection of working people, the promotion of civil rights, the safety of the workplace, and to tilt it in favor of the corporations that have been their historic and traditional financiers.

I do not think this is the place for that kind of a provision.

Mr. FAZIO of California. Mr. Chairman, how much time is reminding for each side?

The CHAIRMAN. The gentleman from California [Mr. FAZIO] has 12½ minutes remaining, and the gentleman from California [Mr. THOMAS] has 10 minutes remaining.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, I rise today to urge my colleagues to vote against the Republican campaign finance bill and support the commonsense Farr substitute.

The Republican bill is basically a sham. The Republicans received so much criticism from their own parties and groups, such as Common Cause and United We Stand, that they are now seeking to amend their own bill. It is clear the Republican bill is changing campaign spending to allow more money into the political process, not less, completely contrary to the will of the American people.

Now, let me tell my colleagues why I like the Farr substitute. Every source of private funds for a campaign, in my opinion, is basically bad. I would like to see public financing of campaigns, but we are not voting on that today. But the nice thing, the good thing about the Farr substitute is it caps the amount of money that is spent on a campaign and then mixes up the sources of those funds, $600,000 maximum, and then it says only $200,000 from PAC's, only $200,000 from large donors, which is defined as $200 or more, only $50,000 of a Member's own individual money, and I guess the rest probably small donors.

That is what we need, a mixture of various sources of funding so no funding source, not wealthy individuals, not PAC's or individual contributions, is the primary source of money for a campaign. It is only through mixing the sources and capping the amount of money that we can spend on a campaign that I think we have a way of financing a campaign that basically makes sense and does not allow for special interests or any particular interests to influence too much what happens to the campaign.

In the same way the Farr bill also allows for lower postal rates, it reduces rates for broadcasting, and so it allows the message to get out better. That is what campaigns should be all about: Who is the best candidate? Who has the best message? Not who has the wealthiest contributor or who has the most PAC money or who has the most money overall.

The reason why this Republican bill is terrible and is a sham is because it is trying to put more money into campaigns and not limit the amount and the sources of the financing.

□ 1515

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman correctly described the Democratic bill. What it does is coerce people to provide subsidies so that government can attempt to convince people they should not exercise their free speech rights. That is the typical approach that the Democrats use in the use of government; that is, coercion, control, and limits.

But I really would like to focus on the bill itself. If anyone is interested, section 304 says, merchandising and affinity cards. We have heard the term ''true reform.'' We have heard common sense in terms of the way the Democrats are approaching this.

Take a look at section 304. It says,

> Notwithstanding the provisions of this section or any other provision of this Act to the contrary, an amount received from a corporation shall be deemed to meet the limitations and prohibitions of this act if such amount represents a commission or a royalty.

True reform or a scam?

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

Mr. THOMAS. I will yield on the gentleman's time.

Mr. FAZIO of California. Mr. Chairman, I was hoping the gentleman would yield on his time, since he raised the issue twice.

Mr. THOMAS. No. I do not have the time. I will not yield on my time. I would be more than happy to yield on the gentleman's time.

Mr. FAZIO of California. Well, we will put in the RECORD what is a de minimis issue.

Mr. THOMAS. The gentleman says taking money from corporations on under the guise of hard dollars is a de minimis issue. I think the American people would differ with him. That is why he is not talking about that section.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. Mr. Chairman, I thank the gentleman from California [Mr. THOMAS] for yielding the time to me.

I have concerns. I support the Thomas bill and not the Farr bill. I have concerns that the Farr bill does not address this worker right to know issue.

The people, the rank and file dues-paying union members who are concerned about the second amendment, they want to keep their guns. They are concerned about the issue of abortion or balancing the budget and so forth. They do not know where their money is going.

They are told that their PAC is bipartisan. Let me talk to you about bipartisan PAC's. Here is the actual campaign dollars spent in 1994 by certain PAC's. AFL–CIO, $804,000; 99.15 percent going to Democrats. The American Trial Lawyers Association, $1,759,000; 95 percent of it going to Democrats. The Longshoremen, $300,000; 96 percent going to Democrats.

Here is one, Mr. Chairman, my colleagues will really like, the rank and file workers are told that the Democrat Republican Independent Voter Education Committee is a bipartisan PAC, but $2,131,000 was spent on Democrats or 97 percent of their total budget. They should change the name and just call this the Democrat status quo PAC.

The NEA, the National Education Association, $1,968,000; 99 percent of it going to Democrats.

I say there is nothing wrong with rank and file union members being told, hey, 99 percent of your money is going to the Democrat party who stands against the balanced budget, who stands against protecting and increasing Medicare, who stands for all kinds of left wing causes like taking your guns away and so forth. I just think that the guys back home would like to know that if you are told your PAC is bipartisan, it is not. I have a whole list of them, Mr. Chairman. I will submit these for the RECORD.

The fact is, our American workers have the right to know where their money is spent. I say vote ''no'' on Farr; vote ''yes'' for Thomas.

Mr. Chairman, I include for the RECORD the following information:

Donors—Who's really snared by special interest groups?

[PAC Funding—1994 House of Representatives Race]

PAC	Democrat	Republican
AFL–CIO	$804,709 (99.15%)	$6,880 (0.85%)
American Federation of Teachers	$1,053,690 (99.33%)	$7,000 (0.66%)
ATL	$1,759,285 (95.00%)	$92,500 (5.00%)
Human Rights	$470,495 (96.51%)	$17,000 (3.49%)
Community Action Program	$42,250 (96.57%)	$1,500 (3.43%)
Democrat Republican Independent Voter Ed. Committee	$2,131,517 (97.82%)	$47,475 (2.18%)
ILGWU	$229,672 (96.51%)	$8,070 (3.49%)
Int'l Longshoreman's Assoc.	$300,125 (96.66%)	$10,350 (3.33%)
IUE	$204,050 (100%)	$0 (0.00%)
Int'l Union of Bricklayers	$143,550 (98.97%)	$1,500 (1.03%)
NEA	$1,968,750 (99.00%)	$19,800 (1.00%)
Office and Professional Employees	$65,150 (98.49%)	$1,000 (1.51%)
Service Employees Int'l	$699,694 (98.18%)	$13,000 (1.82%)
UAW Voluntary Comm. Action	$1,914,376 (99.25%)	$14,455 (0.75%)

Mr. FAZIO of California. Mr. Chairman, I simply would like to say to the gentleman from Georgia, we are going to be giving everyone an opportunity to let people know where the money comes from and where it goes with the motion to recommit.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. Mr. Chairman, I thank the gentleman from California for yielding me the time.

I rise today in strong support of genuine campaign finance reform, and urge my colleagues to vote for the Farr substitute. I am glad my Republican friends have significantly changed their original proposal to embrace the Farr bill. Unfortunately the House leadership's catering to special interests still goes too far and fails to meet real reform standards.

Our initiative, the Farr substitute, will change the way business is done in Washington. One significant difference in the Farr bill is a call for voluntary spending limits. Until we have limits on revenues and expenditures in campaigns there will continue to be huge amounts of money spent on politics.

In an attempt to further alienate citizens who are thoroughly sick of negative advertising the House Leadership bill actually invites independent expenditures on these activities, as well as the potential for nondisclosure of these contributions.

The Farr bill makes important strides towards encouraging participation by average Americans by limiting the amount of money in campaigns, limiting the extent to which a candidate can rely upon large contributions from individuals, and limiting contributions from PAC's. The Farr bill is the only plan to eliminate ''soft money,'' the only plan to encourage candidates to rely on small contributions, and by observing spending limits, the only plan to reduce the costs of TV and mail.

The demands of running a campaign today can distract public officials from their responsibility to citizens. Our commitment to improving the lives of American families ought to be our primary concern.

Real campaign finance reform is important and necessary. The Farr bill will provide that reform, the House Leadership plan will not. I urge my colleagues to support the Farr substitute.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, like other Members of this Congress, I have been successful under the current system. I will keep doing the things necessary. If we want to serve in Congress, we have no choice but to be out trying to raise hundreds of thousands of dollars. But I do not like it because I know it is not too much to say that unless we fundamentally change this system, ultimately campaign finance will consume the very essence of our democracy.

We are reaching the point wherever every Member of this Congress is going to have to spend more time out raising money than tending to the Nation's business. It is fundamentally a corrupting influence on the operation of this body.

What answer does Speaker GINGRICH provide? He tells us, contrary to what every authority has said that it is a myth it is not true, it is just one of the greatest myths of modern politics that campaigns are too expensive. The American people do not know what they see on TV. The political process is, in fact, underfunded. It is not overfunded.

Well, that idea that we do not have enough special interest money, we do not have enough tobacco money, for example, in this Congress to make it healthy here makes about as much sense as we do not have enough tobacco smoking to make our physical health healthy, which seems to be something else the Dole-Gingrich ticket is a bit confused about. All this, of course, from the same man who pioneered tax-exempt campaign finance through GOPAC.

No, we have no opportunity for a bipartisan solution today. You have yet to hear throughout any part of this debate any of the 10 Republicans, 10 Republicans who condemn this proposal as fundamentally flawed, as freezing out ordinary Americans, to stand up and defend it. You have yet to hear one citizen organization that has worked over the years to try to see that we get fundamental campaign finance reform do anything but to condemn the speech of Mr. GINGRICH and the proposal before us.

This is, as they have said, a sham, a fraud. It is not reform.

Mr. THOMAS. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I would just like to tell my colleague from Texas that we, as Members, do have a choice. It is within our power to say how we are going to raise funds for our campaigns. We do have a choice about whether we are going to take political action committee money.

We do have a choice about who and what individuals we are going to accept and how much money we are going to spend in campaigns. Nobody tells us to go out and raise a million dollars. Nobody tells us to go out and raise a quarter of a million dollars from political action committees. We do have that choice.

There are many Members here who are taking perhaps what may be seen as a risk, but the American people are rewarding them because they are not swayed by that.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to H.R. 3820 and say that the real campaign finance reform is the Farr bill.

First of all, it limits spending to $600,000. And then to the gentleman from Georgia let me say, he referred to the guys back home. This campaign finance reform refers to the ladies back home, individuals who have to have those who can represent their interests that are not spoken for by the very high cost special interests.

And yes, what is wrong with having for challengers and others who are cash poor the television system willing to provide information to the constituencies so they, too, know the issues and are not just around high priced receptions where you cannot get any information.

The Farr bill allows for a third class bulk nonprofit rate on postage which, again, allows cash-poor challengers to have access to the U.S. Congress. Interestingly enough, the New York Times really called it well, on July 17, 1996. They say, the Republican bill is campaign reform deformed. But what they really say is, here is a bill that allows you to go from a $25,000 donation in Federal campaigns to $3 million. That is not reform.

Mr. Chairman, I rise in support of the Democratic substitute offered by my colleague, Congressman SAM FARR. This substitute represent our best hope during this session of Congress of reducing the influence of special interests over the political process. As you know, the Senate has failed to act on campaign finance reform. The simple truth of the matter is that the bill, H.R. 3820 increases the amount of money that special interests and wealthy individuals can give to candidates.

This substitute contains a voluntary spending limit of $600,000 for the 2-year election cycle. It indexes the limit for future inflation. Furthermore, the substitute would limit the contributions of large individual donors to $200,000 in an election cycle and limits a candidate to spending no more than $50,000 of their own money, including loans. The bill, however, would allow an individual to give up to $3,000,000 per election cycle including funding to candidates and political parties.

In exchange for candidates agreeing to the voluntary measures set forth in the substitute, they would receive a discount rate for broadcasting and a third class bulk nonprofit rate on postage. Candidates who do not agree to the voluntary limits would pay the regular commercial rate for broadcast time and the regular third class postage bulk rate.

Additionally, this substitute eliminates bundling of campaign contributions except for nonaffiliated, independent PAC's that do not lobby such as Emily's List. Leadership PAC's are eliminated at the end of this year. Contributions from PAC's to individual candidates are limited to a maximum of $8,000 during each election cycle. Candidates are also limited to receiving no more than $200,000 from PAC's per election cycle unless there is a runoff election, which would enable PAC's to give additional funds.

This substitute is a stronger statement for reform. It strikes a good balance between protecting the first amendment rights of individuals and fostering a positive role for Government in reducing the influence of special interests. The bill, however, really goes too far in requiring candidates to raise half of their campaign funds from individuals who reside in their congressional districts. This provision would hurt candidates who are running in poorer congressional districts and favor candidates with significant personal wealth.

I urge my colleagues to support real campaign finance reform by voting in favor of this substitute to the bill. It represents an opportunity for all of us to make real the promise that President Clinton and Speaker GINGRICH made to produce real reform in our political process.

Mr. THOMAS. Mr. Chairman, I yield myself 15 seconds. The last statement of the gentlewoman from Texas is simply not true.

Mr. FAZIO of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Chairman, I want to thank the gentleman for his hard work on campaign finance reform.

Mr. Chairman, I rise in support of Democratic bill, the Farr bill, which voluntarily limits expenditures, contributions, and soft money. We have before us today two bills that are dramatically different in philosophy and direction. One allows more money in politics; one limits money in politics.

But in reality, both bills are dead because the Senate has already acted. Congress has tried to reform campaign finance by itself since 1974. Unless we change course dramatically, all we will have is the same old shell game that Congress continues to play with campaign finance reform. Now you see a bill; now you do not. Now you pass one in the House but not in the Senate. Now you pass them in the House and the Senate but it does not get signed.

Realistically, Mr. Chairman, the only way, the only way to enact meaningful campaign finance reform in the 104th Congress is to enact an independent commission that will come forth with a principled plan that will be voted up or down, similar to the Army suggestion on base closing.

I have introduced such a bill, H.R. 1100, which has bipartisan support, including the gentleman from California [Mr. DREIER] and many others.

Mr. Chairman, the Speaker is the only one who could make it happen. I hope he will move to pass a campaign finance reform independent commission.

Mr. THOMAS. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. WAMP].

Mr. WAMP. Mr. Chairman, cutting PAC's, political action committees, contributions from $5,000 to $4,000 simply is not enough. Let us cut them in half to $2,500. That is one basic difference.

We have seen an exhibition on partisanship and demagoguery. For the gentleman from Texas or New Jersey to tell me that this proposal is a sham is offensive.

Listen to me. I am one of 22 Members, as is our chairman, that does not accept PAC money. We are the ones you should listen to. A journey of 1,000 miles begins with a single step. This is a small step, but it is a step in the right direction.

This bill is late. I wish we would have been addressing this bill last year. We tried to push it. It took too long. The bill is late, but it is not a dollar short. This bill is real reform. It moves us in the right direction.

We have got to cut PAC's in half and listen to the folks who have the guts not to accept the PAC money, not the people with a million bucks in the bank that take all the PAC money they can get. Listen to us, the people who make the phone calls to individuals in our district to raise our money. The pure people say, pass this bill.

Mr. FAZIO of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE].

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

Mr. KILDEE. Mr. Chairman, I rise in opposition to this bill.

Mr. Chairman, I rise today in opposition to this Republican campaign finance reform bill.

Instead of stopping the tidal waive of special interest money into congressional campaigns, the Republican bill opens the flood gates for wealthy individuals to influence the outcome of congressional elections.

Mr. Chairman, I also want to set the record straight on the issue of donations by union members to labor PAC's.

And I want to use the American Federation of State, County, and Municipal Employees as an example of how unions are responsive to those union members who do not wish to contribute to the PAC.

Since 1974, AFSCME members have had the right to receive a refund for that portion of their union dues that goes for political activities.

All an AFSCME member must do is send a letter to the union's Washington office requesting the refund.

This year alone, about 15,000 AFSCME members will take advantage of that right and receive such a rebate.

In contrast, Mr. Chairman, corporate shareholders, the real owners of American corporations, currently have no right to object to the use of their corporation's funds for political purposes.

Shareholders do not have the ability to get a rebate on their corporation's funds used to support candidates and parties that they themselves do not support.

Retirees who own stock through their pensions, or workers who own stock in their companies—these individuals cannot demand that the company they own give them a refund on the portion of the corporation's funds used to support a political party that is hostile to their interests as retirees or workers.

Mr. FAZIO of California. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, the previous speaker from the other side of the aisle, the PAC-pure gentleman from Tennessee, says that this bill is not a dollar short, referring to the Republican alternative. Amen, brother. It is a dollar long. It is dollars long. It is hundreds of thousands of dollars long. It is millions of dollars long. It ain't a dollar short. You said it like it is.

The American public wants less, not more money in campaigns. That is the message. That is what the Farr bill says, and is not what your bill says.

I tell my friend from Tennessee, it is not the Members that are calling it a sham. It is the community, the citizens, the activists who have been working for reform who call it a sham.

□ 1530

I say to my colleagues, you bet. It's a dollar long, not a dollar short.

Mr. THOMAS. Mr. Chairman, I yield myself 30 seconds.

The gentleman from Maryland [Mr. HOYER] is correct. Those people who are urging support for the Farr bill and oppose the Republican bill are the people who believe that government should be used to impose controls on people and to limit and coerce them into giving up their free speech rights. What we do is empower individuals.

Mr. FAZIO of California. Mr. Chairman, I yield myself the remaining time.

The CHAIRMAN. The gentleman from California is recognized for 2½ minutes.

Mr. FAZIO of California. Mr. Chairman, clearly we do not all agree on how best to reform our present campaign system. Democrats wish to limit spending, Republicans prefer a variety of other solutions, and there seem to be on both sides of the aisle, very honestly, a thousand variations of what to do. But surely, surely, all of us can agree on the need for full and complete disclosure of the money spent in the campaign system. Surely all of us can agree that the American people deserve to know where the money comes from and where it goes. As I indicated to the gentleman from Georgia [Mr. KINGSTON] a few minutes ago, we should give them nothing less.

Now in the newspaper locally here today, the Washington Post, the first paragraph of a headline story on the front page, an unnamed corporate donor has put up $1.3 million to help the Republican Party broadcast coverage on its convention next month on the Christian Coalition founder Pat Robertson's family channel, unnamed corporate donor. My friends across the aisle have said in the past that they support disclosure. Now is their chance to practice what they preach for we must approach this issue in a bipartisan way if we are going to get anywhere.

Because the hidden money is a problem in our political system, in a few moments we will propose a motion to recommit which adopts a definition of independent expenditure which is virtually identical to that definition found in the Smith-Meehan bipartisan bill. This provision will allow a reasonable remedy for a problem which haunts our system. This is an area of concern for everyone, and we will ask for our colleagues' support. We want it to be the beginning of a bipartisan effort that, with full disclosure, will allow us to operate perhaps on the same plane in the next Congress when perhaps the desire for real campaign reform may be reborn.

We think it is time for a consensus step forward, and we think we need to begin by reaching a basis of understanding about just who it is that is part of the political process. Labor, management; left, right; we really do

not care where the chips fall. We simply think that we cannot be critical of interest groups and individuals when we do not really know who they are or who is contributing.

It seems to me that we have an opportunity here in a few minutes to get beyond the partisan wrangling and to put it all out on the table. But for now, let us vote ''aye'' on the real reform proposal on the floor today offered by my friend from California [Mr. FARR]. It is the only one that really steps up to the plate and takes on the difficult questions of dealing with the real way to limit the amount of money that flows into the political process.

The Farr bill is the product of many, many, many years of effort to reach consensus. There is opposition to it today that never existed before from groups that now fear that it is catching fire and may, in fact, gain a majority vote on this floor, and we are very hopeful that people will put aside their partisanship and see an opportunity to show their constituents that even if this is not real and we are not going to pass something this year, we ought to at least begin to move in the direction of the kind of campaign reform we have long advocated.

It has been vetoed, it has been filibustered. Let us give it a new life. Vote ''aye'' on the Farr substitute.

Mr. Speaker, clearly, we do not all agree on how best to reform our present campaign system. Democrats wish to limit spending; Republicans prefer other solutions; and there seems to be a thousand variations of what to do.

But surely—surely—all of us can agree on the need for full and complete disclosure of the money spent in the campaign system. Surely, all of us can agree that the American people deserve to know where the money comes from—and where it goes. We should give them nothing less.

My friends across the aisle have said in the past that they support disclosure. Now is your chance to practice what you preach, for we must approach this issue in a bipartisan way. Because the hidden money is a problem in our political system, in a few moments, we will propose a motion to recommit which adopts a definition of independent expenditure which is virtually identical to that definition found in the Smith-Meehan bipartisan bill. This provision will allow a reasonable remedy for a problem which haunts our system. This is an area of concern for everyone—and we will ask for your support. That would be a real consensus step forward. But for now vote aye on the only real reform bill on the floor today—vote ''aye'' on the Farr bill.

Mr. THOMAS. Mr. Speaker, I yield the balance of our time to the gentleman from Georgia [Mr. GINGRICH] to conclude the debate both on the Republican bill and on the Farr substitute, a gentleman who prior to becoming Speaker was the ranking member on the House Administration Committee that oversees all of the Federal election laws, someone who is very familiar with this area. It is my pleasure for our side to yield to the Speaker of the House.

The CHAIRMAN. The Speaker of the House is recognized for 5 minutes.

Mr. GINGRICH. I want to thank the gentleman from California [Mr. THOMAS] for yielding this time to me, and I want to thank all of my colleagues on both sides of the aisle for today's debate and for the effort to come to grips with some very real challenges in our political system. The fact is that every voter has the right to expect of their country that we ought to have a political system where on election day they have full knowledge of the facts and they have a real opportunity to make a real choice. The fact is, in a free society, one of the keys to that freedom is to be able to fire incumbents and hire new people, and the fact is that in an ideal setting no candidate would have a unique advantage, and the voter would have full information, and for at least a quarter of a century now we have been trying to wrestle with how, as we enter the information age, can we achieve that kind of reform?

We began to go down a trail over 20 years ago of limiting expenditures, which frankly does not work. We see it clearly not working today in the Presidential campaign where in theory the taxpayer pays the full cost of the campaign with the result now that the unions are spending millions on ads, the Democratic National Committee is spending millions on ads, and the fact is the Republican National Committee is trying to answer what the Democratic National Committee and the unions are spending. So instead of having taxpayer-financed Presidential campaigns and no other spending, which was the theory of that reform, we now have tax-paid Presidential campaigns plus other spending, and in fact the nontax-paid spending this year on the Presidential campaigns will probably be 2 to 3 times the size of the amount spent by the Presidential campaign.

So we have seen Bob Woodward in his new book, ''The Choice,'' says President Clinton clearly, consciously and systematically is getting around the law and knows it and has designed his campaign to do it because the law does not work. In a free society it is very hard to establish limits, and I know that our good friends on the left are trying to, and I sympathize with the frustration that leads them toward trying to set limits, but they are not real. When we have labor unions announcing they are going to spend $500,000 per district trying to beat Republican freshmen, to then suggest a $600,000 limit for the campaign so that the liberal candidate would have their own $600,000, plus the $500,000 from the union, is clearly the kind of limits that in the real world make no sense.

Furthermore, if a colleague happens to be in a media market where the media is biased against him or her, the editorial writer gets to write for free. The television commentator gets to commentate for free. The talk show host gets to be a talk show host for free. The result is we can have hundreds of thousands spent before reaching the very first ad. It may take a great deal of time and effort to undo the damage done by people who are given the time for free or given the print for free.

So I think that going to route of an overall limit simply has not worked.

David Broder pointed out in a column on July 17 entitled: ''A New Twist In Campaign Finance,'' quote, ''House Republicans have come forward with a new approach to the conundrum of campaign finance reform. It will not become law this year, but it may point the way to the future.''

Now, I am not at all sure it will not become law this year, because we have not seen what will happen. I hope it will pass here and start a new dialog in the Senate. But I am certain that David Broder was right when he said, quote, ''it may point the way to the future.'' Broder himself points out, quote, ''Classic reformers—Common Cause and its allies—have scrambled around for years to find ways to stem the tide. It hasn't worked.''

And so we are trying to find a way in the real world that we believe will work. We start with a very important principle. This bill, the Republican campaign reform proposal, returns control to the people of the United States by establishing the principle that 50 percent of candidates' money has to be raised in the district they represent so they have to go back home to talk with the people of their own district to raise the money.

Furthermore, it says that all the outside money combined cannot exceed what is raised at home. So one's ability to convince the people they are supposed to represent—in effect, it combines the geographic precinct with the financial precincts, and one can no longer earn or raise all the money out of Washington's groups, or raise it from Hollywood stars, or raise it from New York trial lawyers, or raise it from other kinds of PAC's. They actually have to go home to raise the money.

Second, it says we are going to take serious steps to offset the millionaires who are buying seats. It is just wrong to have the U.S. Senate or the U.S. House begin to be the playpen of millionaires who, as a hobby, decide that instead of buying a yacht or a third home they will buy a congressional seat or a Senate seat.

And so as this campaign finance reform bill begins to create the opportunity for middle-class candidates to raise money without limit if their opponent spends over $100,000 personally, so we begin to balance the odds, and we no longer allow millionaires to have an unfair advantage.

Third, this bill strengthens the political parties and begins to reestablish institutional support so that middle-class candidates can rise by working within the framework of their party, and that means it also establishes responsibility beyond the ego of the individual candidate because the party has

a longer view and the party has the right vehicle to strengthen if we want stable politics.

In addition, it allows the parties to begin to offset some of the advantages of incumbency so that we do not have the field totally biased in favor of incumbents, and I want to commend the gentleman from California [Mr. THOMAS] because now that we are the majority party he has continued the same tradition of trying to make it relatively easier for a challenger to have a fair chance to win even though as the majority party that is to our disadvantage. It was the right thing to do.

Finally, this bill establishes the principle that union members have the right to know how their money is spent. The union members have the right to know which of their dues are taken for representational purposes and which of their dues were taken for nonrepresentational purposes. This right was given to them in the Beck decision 8 years ago by the Supreme Court when Justice Brennan wrote a decision that said every union member has the right to know how their money is being spent, and this bill not only requires full disclosure, but it allows the union member to decide whether or not they want to give the additional nonrepresentational money, which is exactly what the Supreme Court said their rights should be 8 years ago.

So all we are doing in that section is putting into legislation the rights that the Supreme Court said were due to the working men and women of America and allowing them to know how their union spent their money and allowing them to decide voluntarily for the nonrepresentational part. It does not change at all the legitimate obligation to pay representational dues, but it does provide for worker information.

So, in closing, on the one side we have what I think is a failed effort to provide a cap that will not work, which would actually strengthen the power of the biased media, would actually strengthen the power of outside independent expenditures, would actually strengthen the power of people other than candidates and parties. On the other hand what we have done is we return power to the district, to the local district, we require 50 percent of the money to be raised at home, we actually lower the PAC's far more than do our Democratic friends, and weaken the PACs' ability to have impact far more. We actually strengthen middle-class candidates against millionaires. We actually strengthen the parties and thereby strengthen challengers against incumbents, and we allow union members to have the right to know how their money is spent and decide whether or not they want to voluntarily give the money the Supreme Court said they could not be forced to give.

We think it is a good reform bill, it is a first step in the right direction. I commend the gentleman from California [Mr. THOMAS], I commend the gentleman from Michigan [Mr. HOEKSTRA], and others who worked very, very hard to make this possible. I believe my colleagues should vote ''no'' on the Democratic substitute, they should vote ''yes'' on final passage, and I urge our colleagues let us pass a good campaign finance bill moving in the right direction, as David Broder said, and let us then see if we cannot convince our colleagues in the Senate to work with us to pass a good campaign finance bill this year.

□ 1545

The CHAIRMAN. The question is on the amendment in the nature of a substitute as modified by the rule, offered by the gentleman from California [Mr. FAZIO].

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

RECORDED VOTE

Mr. THOMAS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 177, noes 243, not voting 14, as follows:

[Roll No. 363]

AYES—177

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilirakis
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clayton
Clement
Clyburn
Coburn
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Dicks
Dingell
Dixon
Doggett
Doyle
Duncan
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Forbes
Frank (MA)
Frisa
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hamilton
Harman
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kleczka
LaFalce
Lantos
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Nadler
Neal
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pomeroy
Quinn
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—243

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilbray
Bliley
Boehner
Bonilla
Bono
Boucher
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clinger
Coble
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Dreier
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
McCollum
McCrery
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Poshard
Pryce
Radanovich
Rahall
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Volkmer
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff

NOT VOTING—14

Bevill
Coleman
Collins (IL)
Deutsch
Ford
Hastings (FL)
Hayes
Lincoln
McDade
Peterson (FL)
Quillen
Roth
Tanner
Young (FL)

□ 1604

Messrs. STENHOLM, KILDEE, TAYLOR of Mississippi, and TEJEDA changed their vote from ''aye'' to ''no.''

Mr. NADLER and Mr. FLAKE changed their vote from ''no'' to ''aye.''

So the amendment in the nature of a substitute, as modified by the rule, was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. DEUTSCH. Mr. Chairman, I missed one rollcall vote earlier today because I was unavoidably detained. Had I been present, I would have voted "yes" on rollcall vote No. 363, the Fazio substitute for campaign finance reform.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DREIER) having assumed the chair, Mr. INGLIS of South Carolina, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3820) to amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes, pursuant to House Resolution 481, he reported the bill, as amended pursuant to that rule, back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. FAZIO OF CALIFORNIA

Mr. FAZIO of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. FAZIO of California. Yes I am, Mr. Speaker, most definitely.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FAZIO of California moves to recommit the bill H.R. 3820 to the Committee on House Oversight with instructions to report the same back to the House forthwith with the following amendment:

Strike section 107 and insert the following (and conform the table of contents accordingly):

SEC. 107. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

''(17)(A) The term 'independent expenditure' means an expenditure that—

''(i) contains express advocacy; and

''(ii) is made without the participation or cooperation of and without consultation with a candidate or a candidate's representative.

''(B) The following shall not be considered an independent expenditure:

''(i) An expenditure made by an authorized committee of a candidate for Federal office.

''(ii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

''(iii) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

''(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

''(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

''(iv) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office. For purposes of this clause, the term 'professional services' shall include any services (other than legal and accounting services solely for purposes of ensuring compliance with any Federal law) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person.

''(18)(A) The term 'express advocacy' means, when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party.

''(B) The term 'expression of support for or opposition to' includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action.''.

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of such Act (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking ''or'' after the semicolon at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following new clause:

''(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that is not an independent expenditure under paragraph (17).''.

Mr. FAZIO of California (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. FAZIO] is recognized for 5 minutes in support of his motion to recommit.

Mr. FAZIO of California. Mr. Speaker, it is pretty obvious by now that Democrats believe there is too much money in our political system today. But we think it is equally important that all the money in our political system be fully disclosed to the American people. Voters must know who paid for an advertisement to help them evaluate its purpose.

Toward that end, Mr. Speaker, this motion to recommit includes the commonsense definition of what is called an independent expenditure, as set forth a decade ago by the Court of Appeals in the Fergatch case, which has never been overruled by the U.S. Supreme Court.

The Republican bill, by contrast, adopts the narrowest possible definition, one that is riddled with loopholes. As a result, the Republican bill would deprive Americans of the information they want by reducing the requirements for disclosure of political money. It would also, frankly, have the unfortunate effect of encouraging the anonymous negative advertising that has grown so common lately in this country.

The Republican aversion to disclosure is not limited to independent expenditures. Time and time again the Republican leadership has sought to stifle communication from working people in the labor movement who have fought so hard for an increase in the minimum wage. Specific antilabor provisions were grafted onto the Republican bill as an exercise, I believe, in union bashing. It seems the majority prefers to create a campaign issue rather than seek a solution to the alleged problem.

Recently every Republican on the Committee on House Oversight voted against an amendment to require disclosure of the funding sources for election-related communication expenditures. This provision would have required disclosure by labor unions and it would also have required disclosure of the vast amounts of money favored by Republicans and their allies, groups like the NFIB and GOPAC, groups which funnel far greater amounts of money in total than organized labor.

□ 1615

The majority, it seems, prefers to talk about disclosure but cannot bring themselves to disclose where their supporters get such funding. We Democrats say let it all hang out. Business groups, labor groups, left, right, middle, everything should be disclosed for public review. Sunlight is the greatest disinfectant we can apply, because there is such a problem with hidden money in our political system.

We offer our motion to recommit with instructions to resolve this problem in a reasonable, common-sense way, in a way that protects first amendment interests while providing the public with the information they want, need and deserve. I reach out to every one of my colleagues of both parties to join us in this effort. This will be their chance to put their vote behind their rhetoric. If they would not support disclosure here today, let the American people never again hear them whining about labor unions or other groups they oppose. Let us put it all on the record.

Mr. Speaker, I yield the remainder of my time to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, when I came to the Congress of the United States, I looked to a senior Member to help me in my efforts to work on campaign finance reform. He taught me

that we have to work in a bipartisan manner if we are going to get real campaign finance reform passed.

That was Mike Synar, and he introduced a bill that I signed on to, that Republicans signed on to, to have real campaign finance reform in a bipartisan way. That is why I have worked so hard in this session in a bipartisan way to get real campaign finance reform, in the history and tradition of Mike Synar.

The gentleman from California has introduced a piece of that bipartisan bill. It involves disclosures and making sure when people make independent expenditures, like the independent expenditures that were made against Mike Synar and many other Members, that the American people have a right to know where their money comes from. The American people have a right to know who is funding this.

And guess what? Both Democrats and Republicans behind this bipartisan effort, every public interest group in America supports this language: the League of Women Voters, Common Cause, Public Citizen, United We Stand. There is not anyone in the country who is fighting for campaign finance reform that does not support this language.

Let us have a tremendous opportunity to take a bad bill and make it a heck of a lot better. Let us send this bill back with this provision, in the history of bipartisan reform, in the tradition of Mike Synar, in the tradition of good Democratic politics.

The SPEAKER pro tempore (Mr. DREIER). Is there a Member who rises in opposition to the motion to recommit?

Mr. THOMAS. Mr. Speaker, I rise in opposition.

The SPEAKER pro tempore. The gentleman from California is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, some people will say, how in the world can anyone stand up and oppose that? The fact of the matter is, Members really need to know the whole story. This is not about disclosure. If it were about disclosure, we can deal with that in any number of statutes.

The gentleman from California said this is sunlight. Let me tell the gentleman, if we pass this, what will happen. He will think it is sunlight. Someone else will think it is a grow light. Somebody else will think it is a 100-watt bulb. Somebody else will think it is a 300-watt bulb. What is it?

The Supreme Court, not a lower court, not some district court, the Supreme Court said free speech is so fundamental to a free society that we have got to let people express themselves. Advocacy is a fundamental right. If you express support for someone, that is express advocacy.

What they have not told us is that their amendment contains this, on page 3 of the amendment: The term ''express advocacy'' means, they want to say, when taken as a whole.

The Court in Buckley said it means when you use the words expressly, vote for, elect, support, cast your ballot for, not when taken as a whole. They said when it is sunlight, it is sunlight and everybody knows it.

Do not give in to the urge to take the freedom of speech away from people. Justice Potter Stewart said, ''I can't define obscenity but I know it when I see it,'' these people want to take the definition ''I know it when I see it'' and suppress free speech.

The Supreme Court in Buckley said no, it is not your judgment as to whether or not it is free speech. It is the words as they are stated. When they are stated, it is. When we think they are, it is not. If you believe in a free society, if you believe in the Constitution, you do not take the words taken as a whole, you take the words. Reject their motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. FAZIO of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 209, noes 212, not voting 13, as follows:

[Roll No. 364]

AYES—209

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Berman
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Forbes
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaFalce
Lantos
Leach
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pomeroy
Poshard
Quinn
Rahall
Rangel
Reed
Richardson
Riggs
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—212

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Radanovich
Ramstad
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff

NOT VOTING—13

Bevill	Hayes	Roth
Coleman	Lincoln	Tanner
Collins (IL)	McDade	Young (FL)
Ford	Peterson (FL)	
Hastings (FL)	Quillen	

□ 1637

Mr. FLANAGAN and Mr. MARTINI changed their vote from ''aye'' to ''no.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. DREIER). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. THOMAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 162, nays 259, not voting 13, as follows:

[Roll No. 365]

YEAS—162

Allard	Fields (TX)	McKeon
Archer	Flanagan	Meyers
Armey	Fox	Mica
Bachus	Franks (CT)	Miller (FL)
Baker (CA)	Funderburk	Molinari
Baker (LA)	Gallegly	Moorhead
Ballenger	Ganske	Myrick
Barr	Gekas	Ney
Barrett (NE)	Gilchrest	Norwood
Bartlett	Gillmor	Nussle
Barton	Gingrich	Oxley
Bass	Goodlatte	Parker
Bateman	Goss	Paxon
Bereuter	Greene (UT)	Petri
Bilirakis	Greenwood	Pombo
Bliley	Gunderson	Porter
Boehner	Gutknecht	Portman
Bono	Hastert	Pryce
Bryant (TN)	Hastings (WA)	Ramstad
Bunn	Hayworth	Regula
Bunning	Hefley	Riggs
Burr	Heineman	Rogers
Buyer	Herger	Rohrabacher
Callahan	Hilleary	Royce
Calvert	Hobson	Salmon
Camp	Hoekstra	Scarborough
Campbell	Hoke	Schaefer
Canady	Hostettler	Schiff
Chabot	Hunter	Seastrand
Chambliss	Hutchinson	Sensenbrenner
Chenoweth	Hyde	Shadegg
Christensen	Istook	Shaw
Chrysler	Johnson (CT)	Shuster
Clinger	Jones	Skeen
Coble	Kasich	Smith (MI)
Coburn	Kelly	Smith (TX)
Collins (GA)	Kim	Spence
Cox	Kingston	Stearns
Crane	Knollenberg	Stockman
Crapo	Kolbe	Stump
Cremeans	LaHood	Talent
Cubin	Largent	Tauzin
Cunningham	Latham	Taylor (NC)
Deal	LaTourette	Thomas
DeLay	Laughlin	Thornberry
Dickey	Lazio	Upton
Dreier	Lightfoot	Vucanovich
Duncan	Linder	Walker
Dunn	Livingston	Wamp
Ehlers	Lucas	Weldon (FL)
Ehrlich	Manzullo	Weldon (PA)
Everett	McCollum	Weller
Ewing	McCrery	Wicker
Fawell	McIntosh	Zeliff

NAYS—259

Abercrombie	Beilenson	Bonilla
Ackerman	Bentsen	Bonior
Andrews	Berman	Borski
Baesler	Bilbray	Boucher
Baldacci	Bishop	Brewster
Barcia	Blumenauer	Browder
Barrett (WI)	Blute	Brown (CA)
Becerra	Boehlert	Brown (FL)
Brown (OH)	Holden	Pastor
Brownback	Horn	Payne (NJ)
Bryant (TX)	Houghton	Payne (VA)
Burton	Hoyer	Pelosi
Cardin	Inglis	Peterson (MN)
Castle	Jackson (IL)	Pickett
Chapman	Jackson-Lee (TX)	Pomeroy
Clay	Jacobs	Poshard
Clayton	Jefferson	Quinn
Clement	Johnson (SD)	Radanovich
Clyburn	Johnson, E. B.	Rahall
Collins (MI)	Johnson, Sam	Rangel
Combest	Johnston	Reed
Condit	Kanjorski	Richardson
Conyers	Kaptur	Rivers
Cooley	Kennedy (MA)	Roberts
Costello	Kennedy (RI)	Roemer
Coyne	Kennelly	Ros-Lehtinen
Cramer	Kildee	Rose
Cummings	King	Roukema
Danner	Kleczka	Roybal-Allard
Davis	Klink	Rush
de la Garza	Klug	Sabo
DeFazio	LaFalce	Sanders
DeLauro	Lantos	Sanford
Dellums	Leach	Sawyer
Deutsch	Levin	Saxton
Diaz-Balart	Lewis (CA)	Schroeder
Dicks	Lewis (GA)	Schumer
Dingell	Lewis (KY)	Scott
Dixon	Lipinski	Serrano
Doggett	LoBiondo	Shays
Dooley	Lofgren	Sisisky
Doolittle	Longley	Skaggs
Dornan	Lowey	Skelton
Doyle	Luther	Slaughter
Durbin	Maloney	Smith (NJ)
Edwards	Manton	Smith (WA)
Engel	Markey	Solomon
English	Martinez	Souder
Ensign	Martini	Spratt
Eshoo	Mascara	Stark
Evans	Matsui	Stenholm
Farr	McCarthy	Stokes
Fattah	McDermott	Studds
Fazio	McHale	Stupak
Fields (LA)	McHugh	Tate
Filner	McInnis	Taylor (MS)
Flake	McKinney	Tejeda
Foglietta	McNulty	Thompson
Foley	Meehan	Thornton
Forbes	Meek	Thurman
Fowler	Menendez	Tiahrt
Frank (MA)	Metcalf	Torkildsen
Franks (NJ)	Millender-McDonald	Torres
Frelinghuysen	Miller (CA)	Torricelli
Frisa	Minge	Towns
Frost	Mink	Traficant
Furse	Moakley	Velazquez
Gejdenson	Mollohan	Vento
Gephardt	Montgomery	Visclosky
Geren	Moran	Volkmer
Gibbons	Morella	Walsh
Gilman	Murtha	Ward
Gonzalez	Myers	Waters
Goodling	Nadler	Watt (NC)
Gordon	Neal	Watts (OK)
Graham	Nethercutt	Waxman
Green (TX)	Neumann	White
Gutierrez	Oberstar	Whitfield
Hall (OH)	Obey	Williams
Hall (TX)	Olver	Wilson
Hamilton	Ortiz	Wise
Hancock	Orton	Wolf
Hansen	Owens	Woolsey
Harman	Packard	Wynn
Hefner	Pallone	Yates
Hilliard		Young (AK)
Hinchey		Zimmer

NOT VOTING—13

Bevill	Hayes	Roth
Coleman	Lincoln	Tanner
Collins (IL)	McDade	Young (FL)
Ford	Peterson (FL)	
Hastings (FL)	Quillen	

□ 1655

Mr. SMITH of New Jersey changed his vote from ''yea'' to ''nay.''

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill just considered.

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

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2823, INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT

Mr. GOSS (before the vote on final passage of H.R. 3820) from the Committee on Rules, submitted a privileged report (Rept. No. 104–708) on the resolution (H. Res. 489) providing for consideration of the bill (H.R. 2823) to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR H.R. 123, ENGLISH AS THE OFFICIAL LANGUAGE OF GOVERNMENT

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

Mr. GOSS. Mr. Speaker, the Rules Committee is planning to meet this Wednesday, July 31, to grant a rule which may limit the amendments which may be offered to H.R. 123, English as the Official Language of Government.

Subject to the approval of the Rules Committee, this rule may include a provision limiting amendments to those specified in the rule. Any Member who wishes to offer an amendment should submit 55 copies and a brief explanation of the amendment by 12 noon on Tuesday, July 30, to the Rules Committee, at room H–312 in the Capitol. Members should also have the amendment printed in the CONGRESSIONAL RECORD by Tuesday, July 30.

Amendments should be drafted to the text of the Goodling substitute, which will be printed in the CONGRESSIONAL RECORD of July 25, as an amendment in the nature of a substitute to H.R. 123. The rule is likely to self-execute in the Goodling amendment as a new base text for H.R. 123.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

AUTHORIZING MINORS TO LOAD MATERIALS INTO BALERS AND COMPACTERS

Mr. BALLENGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1114) to authorize minors who are under the child labor provisions of the Fair Labor Standards Act of 1938 and who are under 18 years of age to load materials into balers and compacters that meet appropriate American National Standards Institute design safety standards, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. AUTHORITY FOR 16- AND 17-YEAR-OLDS TO LOAD MATERIALS INTO SCRAP PAPER BALERS AND PAPER BOX COMPACTORS.

Section 13(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(c)) is amended by adding to the end thereof the following new paragraph:

''(5)(A) In the administration and enforcement of the child labor provisions of this Act, employees who are 16 and 17 years of age shall be permitted to load materials into, but not operate or unload materials from, scrap paper balers and paper box compactors—

''(i) that are safe for 16- and 17-year-old employees loading the scrap paper balers or paper box compactors; and

''(ii) that cannot be operated while being loaded.

''(B) For purposes of subparagraph (A), scrap paper balers and paper box compactors shall be considered safe for 16- or 17-year-old employees to load only if—

''(i)(I) the scrap paper balers and paper box compactors meet the American National Standards Institute's Standard ANSI Z245.5–1990 for scrap paper balers and Standard ANSI Z245.2—1992 for paper box compactors; or

''(II) the scrap paper balers and paper box compactors meet an applicable standard that is adopted by the American National Standards Institute after the date of enactment of this paragraph and that is certified by the Secretary to be at least as protective of the safety of minors as the standard described in subclause (I);

''(ii) the scrap paper balers and paper box compactors include an on-off switch incorporating a key-lock or other system and the control of the system is maintained in the custody of employees who are 18 years of age or older;

''(iii) the on-off switch of the scrap paper balers and paper box compactors is maintained in an off position when the scrap paper balers and paper box compactors are not in operation; and

''(iv) the employer of 16- and 17-year-old employees provides notice, and posts a notice, on the scrap paper balers and paper box compactors stating that—

''(I) the scrap paper balers and paper box compactors meet the applicable standard described in clause (i);

''(II) 16- and 17-year-old employees may only load the scrap paper balers and paper box compactors; and

''(III) any employee under the age of 18 may not operate or unload the scrap paper balers and paper box compactors.

The Secretary shall publish in the Federal Register a standard that is adopted by the American National Standards Institute for scrap paper balers or paper box compactors and certified by the Secretary to be protective of the safety of minors under clause (i)(II).

''(C)(i) Employers shall prepare and submit to the Secretary reports—

''(I) on any injury to an employee under the age of 18 that requires medical treatment (other than first aid) resulting from the employee's contact with a scrap paper baler or paper box compactor during the loading, operation, or unloading of the baler or compactor; and

''(II) on any fatality of an employee under the age of 18 resulting from the employee's contact with a scrap paper baler or paper box compactor during the loading operation, or unloading of the baler or compactor.

''(ii) The reports described in clause (i) shall be used by the Secretary to determine whether or not the implementation of subparagraph (A) has had any effect on the safety of children.

''(iii) The reports described in clause (i) shall provide—

''(I) the name, telephone number, and address of the employer and the address of the place of employment where the incident occurred;

''(II) the name, telephone number, and address of the employee who suffered an injury or death as a result of the incident;

''(III) the date of the incident;

''(IV) a description of the injury and a narrative describing how the incident occurred; and

''(V) the name of the manufacturer and the model number of the scrap paper baler or paper box compactor involved in the incident.

''(iv) The reports described in clause (i) shall be submitted to the Secretary promptly, but not later than 10 days after the date on which an incident relating to an injury or death occurred.

''(v) The Secretary may not rely solely on the reports described in clause (i) as the basis for making a determination that any of the employers described in clause (i) has violated a provision of section 12 relating to oppressive child labor or a regulation or order issued pursuant to section 12. The Secretary shall, prior to making such a determination, conduct an investigation and inspection in accordance with section 12(b).

''(vi) The reporting requirements of this subparagraph shall expire 2 years after the date of enactment of this subparagraph.''.

SEC. 2. CIVIL MONEY PENALTY.

Section 16(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(e)) is amended in the first sentence—

(1) by striking ''section 12,'' and inserting ''section 12 or section 13(c)(5),''; and

(2) by striking ''that section'' and inserting ''section 12 or section 13(c)(5)''.

SEC. 3. CONSTRUCTION.

Section 1 shall not be construed as affecting the exemption for apprentices and student learners published in section 570.63 of title 29, Code of Federal Regulations.

Mr. BALLENGER (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. HOBSON). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from North Carolina?

Mr. ANDREWS. Mr. Speaker, reserving the right to object, I do not intend to object. I ask the gentleman from North Carolina, the subcommittee chairman, if he would explain the legislation.

Mr. BALLENGER. Mr. Speaker, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from North Carolina.

Mr. BALLENGER. Mr. Speaker, H.R. 1114 amends regulations which the Department of Labor has issued and which prohibit employers from allowing teenage employees from loading, operating, or unloading paper balers and paper compactors, such as are normally used by grocery stores and other facilities that receive a lot of items in boxes and similar paper based containers.

The House of Representatives passed H.R. 1114 on October 24 of last year. The Senate has returned the bill with an amendment that essentially makes two changes to bill which we in the House passed last year.

The first change addresses a concern which some had with the constitutionality of one aspect of the House-passed bill. Under the House bill, teenagers would be allowed to load paper balers and compactors which meet the most current safety standard issued by the American National Standards Institute, or ANSI, so long as certain other protections were also provided. While it is clear that Congress may, by reference, incorporate the current ANSI standard, there was concern about incorporating by reference future standards by a nongovernmental entity. Under the Senate amendment, future ANSI standards would apply only if the Secretary of Labor certifies that the standard is at least as protective of the safety of minors as the current ANSI standards are.

Second, the Senate amendment adds a reporting requirement to the legislation. During the 2 years following enactment, employers will be required to report any injuries and fatalities to employees under age 18 to the Department of Labor, if those injuries or fatalities result from contact with a paper baler or compactor during the loading, operating, or unloading of the machine. The purpose of this reporting requirement is to provide the Department of Labor and Congress with information on the impact, if any, on teenage injuries, of this legislation and of allowing teenagers to load materials into certain paper balers and compactors. I might add here a note that under the bill, a violation of the reporting requirement is considered a child labor violation and therefore subject to a fine of up to $10,000 per violation. Given the way in which the Department of Labor has sometimes enforced paperwork and recordkeeping requirements in other contexts, I want to add to something that Senator HARKIN said in presenting this amendment in the Senate: The purpose of the reporting requirement is to get information on injuries, if any, to teenagers from paperbalers over the next 2 years. Employers should not be fined for relatively minor or inadvertent errors in following the reporting requirements. The purpose of this requirement is to collect information not to have another reason to fine employers.

Mr. Speaker, I support the Senate amendment and I thank the gentleman for yielding.

□ 1700

Mr. ANDREWS. Mr. Speaker, continuing under my reservation of objection, I want to concur in the comments of my friend and say this is really the Youth Job Protection Act. This is going to help a lot of young people get jobs in grocery stores and supermarkets and protect their health and safety at the same time.

I want to thank the gentleman from North Carolina [Mr. BALLENGER] and the gentleman from Illinois [Mr. EWING] for their excellent work on this bill, and the other members of the committee and also representatives from labor and management. I concur in his remarks, am happy to work with him.

Mr. EWING. Mr. Speaker, I rise in strong support of the Senate amendments to H.R. 1114, and urge the House to once again pass this important legislation and send it to President Clinton's desk for his quick signature. Action by the House will encourage grocery stores to start hiring teenagers again this summer.

As my colleagues know from the previous consideration of this legislation, the Labor Department has been vigorously enforcing Hazardous Occupation Order 12, a regulation which hasn't been updated in about 40 years and which prohibits teenage workers from in any way coming in contact with paper balers and compactors. My colleagues know that the modern machines are extremely safe, but the Labor Department has been handing out fines up to $10,000 for a single violation of H.O. 12.

This final legislation will only allow 16- and 17-year-old workers to load modern machines, but retains the prohibition on teenagers operating or unloading any paper balers or compactors. Before teens could load a machine, it must meet modern safety standards set by the American National Standards Institute [ANSI] including an on-off switch with a key-lock system and which cannot be operated while being loaded, and requires the on-off switch to be in the off position when the equipment is not in operation. The legislation also requires the key to be maintained is not in operation. The legislation also requires the key to be maintained in the custody of adult employees and requires the employer to post notice that the machine meets safety standards and that 16 and 17 year olds may load only, but not operate or unload. In addition, the Senate added two additional safety provisions allowing the Secretary of Labor to certify that future ANSI safety standards are at least as protective as the current standards, and requiring that for 2 years any injuries involving teenagers working with these machines be reported to the Labor Department.

Mr. Speaker, it is unfortunate that while this Congress clearly has determined that H.O. 12 is outdated, the Labor Department has continued its excessive and unreasonable enforcement while this legislation was being written. For example, the Department's Wage and Hour Division recently cited a grocery store in the Midwest for alleged violations involving six teenage employees. The store is facing fines in excess of $14,000.

The supermarket has a compactor which is not inside the store, but is located outside, on a back lot. It is connected by an 8 foot long chute which goes from the building to the compactor and is loaded through the chute from inside the supermarket. Adequate notice and safety precautions were posted on the door of the chute, indicating that minors are not to load or operate the machine. The manager told the employees that they were not allowed to place cardboard down the chute. Despite these good-faith efforts, six young employees decided that there was no harm in throwing boxes down the chute.

Because the machine is outside the store, the teenagers still never came in contact with the compactor and there were never any injuries. However, the Labor Department still levied fines against this store of more than $14,000.

I am told that this supermarket, which is located in a small town, is not profitable and the owner is considering closing the store because of the huge fine he is being asked to pay. If this happens, the Labor Department will have put more than 50 people out of work.

Passage of this legislation is a clear statement of the intent of Congress. It is my hope that the Labor Department will heed this message and re-evaluate the pending enforcement proceedings in this case, withdraw the fines, and save 50 jobs.

This legislation is a good example of how labor and management and Republicans and Democrats can work in a spirit of compromise to solve a problem. Over the past several months we have negotiated with all interested parties to write this legislation. I would like to thank my partner, Congressmen LARRY COMBEST, who has helped lead this effort for over 2 years. I would also like to thank Chairmen GOODLING and BALLENGER for their assistance, and Congressman ROB ANDREWS for playing a critical role in negotiating this compromise. In addition, I would like to thank Senators CRAIG, KASSEBAUM, KENNEDY, and HARKIN for their assistance in moving this legislation through the Senate. I would also like to recognize the cooperative spirit in which the Food Marketing Institute, the National Grocers' Association, and the United Food and Commercial Workers' Union worked to come to a compromise which will put an end to unnecessary regulation without jeopardizing the safety of workers. Unfortunately, throughout this entire process the Labor Department played absolutely no useful role and showed zero interest in solving this problem.

Mr. ANDREWS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. HOBSON). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BALLENGER. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 1114 and the Senate amendment thereto.

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

There was no objection.

REFORM WEEK HAS BECOME WEAK REFORM

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

Ms. DELAURO. Mr. Speaker, for months the Republican leadership has been talking about reform week and promising to end the current money chase in Washington. Well, today the House held reform hour, and it was a disgrace. Instead of presenting legislation that could have passed the House with a bipartisan majority, the Republican leadership put up a bill that benefited special interests only.

Ralph Nader's group Public Citizen called the Thomas bill a big step in the wrong direction on campaign finance and urged its defeat. Common Cause said:

> The repackaged Thomas bill is phony reform that locks in the corrupt status quo, leaves open the floodgates for special-interest PAC money and increases the amount wealthy individuals can contribute to influence special elections.

Now reform week has come and gone, and the Republican leadership has squandered any chance we had to keep our promise to reform the political money game in Washington. Reform week has truly become weak reform.

REQUEST FOR PERMISSION TO PRESENT SPECIAL ORDER

Mr. CLINGER. Mr. Speaker, I ask unanimous consent to present my special order at this time.

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

Ms. KAPTUR. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

TRIBUTE TO CAPT. JOHN WILLIAM (JACK) KENNEDY

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

Mr. WOLF. Mr. Speaker, CAPT. John William (Jack) Kennedy is coming home. Next Friday, August 2, a nearly 25-year saga surrounding the fate of Captain Kennedy, a missing-in-action Air Force pilot in Vietnam, will end at Arlington National Cemetery.

On August 16, 1971, Air Force Captain Kennedy was flying an O–2A aircraft, solo, on a visual reconnaissance mission over the Quangtin Province of South Vietnam when radio contact was lost. He was a forward air controller pilot for the 20th Tactical Air Support Squadron based in Chu Lai, Vietnam, in support of the 23d Infantry Division. The area in which he was flying was rugged mountainous terrain covered by thick jungle and a known location of enemy ground forces. When Captain Kennedy failed to respond to normal communications checks, a search effort was initiated. But no crash was found, no radio contacts made, and no witnesses were identified. He was listed as ''Mission in Action,'' a status he carried until the Air Force moved to

change it to ''Presumed Killed in Action'' in July 1978.

Mr. Speaker, I call Captain Kennedy to the attention of our colleagues because his is a case I became familiar with during the 1980's when I represented his hometown of Arlington, VA. It was then that I met his mother, Sally Kennedy, who was active in the National League of Families. She was stalwart in her determination to find out what happened to her son, and, in the larger context of working with the National League of Families, to help keep alive the effort to determine the fate of all those service personnel missing in action.

She was tenacious in making sure that a search was ongoing to find Jack's crash site, and has been kept advised of all that went on with the various search teams that went in each year they were allowed into Vietnam as the National League of Families diligently sought to obtain permission throughout the years. As tensions between the United States and Vietnam decreased, significant levels of activity in identifying and exploring possible U.S. forces crash sites took place.

In 1992, after several visits and discussion with Vietnamese villagers, a possible crash site was identified. At that time no conclusive evidence was available to specifically identify the site as Jack's. In 1993, several bone fragments, reportedly from the pilot of that aircraft, were provided by villagers. Also engines of the type used on Jack Kennedy's aircraft were found in the area. It wasn't until just recently that techniques were such that DNA could be extracted from these bone fragments and compared with those of his mother. Just this past May, the U.S. Air Force positively identified those bone fragments as belonging to Capt. John William Kennedy.

Jack's remains arrived at Travis Air Force Base, CA, in late June and will be flown to Washington, DC, on August 1 with funeral services next Friday morning, August 2, at the Fort Myers Chapel with interment with full military honors including a flyover at Arlington National Cemetery.

John William Kennedy was born in Washington, DC, on May 1, 1947; raised in Arlington, VA; graduated from Wakefield High School in 1965 and Virginia Military Institute in 1969. At VMI he was the 1969 Southern Conference Wrestling Champion in the 160-pound class, was cocaptain of the varsity wresting and soccer teams, a member of the VMI Honor Court, was included in ''Who's Who in American Colleges and Universities'' and Kappa Alpha after graduation. In 1980, he was also inducted into the VMI Sports Hall of Fame.

He began active duty in the U.S. Air Force in October 1969, and for his military service was awarded the Distinguished Flying Cross, Purple Heart, Air Medal with 2 oak leaf clusters National Defense Service Medal, Vietnam Service Medal, and Republic of Vietnam Campaign Medal.

In addition to his mother, Sally Kennedy, of Lake Ridge, VA, he is survived by his brother Daniel E. Kennedy, Jr., of Dumfries, VA, also a VMI, Class of 1966, graduate and retired lieutenant colonel in the U.S. Air Force with one combat tour in Southeast Asia from 1972 to 1973.

The waiting and hoping and wondering for the Kennedy family has not come to an end and as Sally Kennedy said in a recent letter, ''time will bring a peace and finality to me.'' she also reminded as a poet has written, ''A man is never dead until he is forgotten.''

Mr. Speaker, we express not only our sympathies to the Kennedy family, but also our gratitude for the service to his country of Capt. John William Kennedy. And we offer a prayer that some day all the families whose loved ones served their Nation but remain missing in action can find peace.

ROUT OF THE REVOLUTIONARIES

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

Mr. DOGGETT. Well, Mr. Speaker, this is what it has come to. A year and a half is down, and a rout of the revolutionaries. They promised us a revolution in the way this Congress was operated, and today they delivered, defeating the one hope for campaign finance reform.

Every citizens group that looked at this independently, not Democratic groups or Republican groups, every citizen group spoke out against this sham reform. Ten Republicans had the courage to condemn this Gingrich bill, and the Speaker, Speaker GINGRICH, came right here to the floor of the House to demand that this regressive piece of legislative be approved. The House has rejected it.

Mr. Speaker, it is time for us to have bipartisan reform, not more of the same old business out of this so-called revolutionary Congress that once again has demonstrated that it is not revolutionary, just revolting.

REAL CAMPAIGN FINANCE REFORM

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

Mr. MEEHAN. Mr. Speaker, I want to thank the 20 Republicans who signed on to the bipartisan bill and thank all of the Democrats who signed on to the bipartisan bill, thank the thousands of people all over America who have been calling up for campaign finance reform; the League of Women Voters, Public Citizen, United We Stand, Common Cause. And let me just say we will not let this travesty that happened on the floor today hold us back from real campaign finance reform because the torch goes on and we will continue this fight.

What we saw on the floor of the House today will result in outrage all across America because Americans are committed to changing the way we finance campaigns in America. So there will be a response, we will be back, and we will have real campaign finance reform after the November elections.

THERE MUST BE TRUE CAMPAIGN FINANCE REFORM

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

Mr. PALLONE. Mr. Speaker, I just wanted to say I am very pleased to see that this Republican bill went down to defeat today and also to see that so many Republicans actually joined with the Democrats in defeating the bill. I think it shows that there is some sense in this House, and once again people have risen up and recognized that we have to have true campaign finance reform and the way of the Republican leadership, which is just let more wealthy people, more special interests and more money be basically the basic tenet of financing a campaign is not the way to go.

Now we have the opportunity, I think, to move toward true campaign finance reform that limits the amount that can be spent on a campaign and that looks to different sources of income for the campaign other than just wealthy contributors.

CAMPAIGN FINANCE REFORM, CLEAR CHOICE: MORE MONEY IN THE PROCESS, OR LESS?

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

Ms. KAPTUR. Mr. Speaker, the House voted down two campaign finance proposals today, neither of which solves the fundamental problem: the excessive influence of wealthy interests on our political process crowding out and even alienating average citizens from their own democracy. It is increasingly true that the real two-party system in our country consists not of Republicans and Democrats, but the party of donors and the party of voters.

I voted in favor of the Farr substitute today because voluntary spending limits are better than no limits at all, and I completely disagree with Speaker GINGRICH, who says that he would emphasize far more money in the political process.

That is absolutely ludicrous. In fact the New York Times in a recent story says money is not speech, it is raw power, and that is why the only answer to this problem, because of the Supreme Court decisions, is passage of H.J. Res. 114 to allow Congress and the States to set mandatory limits on campaign expenditures.

The choice is clear: More money in the process or less.

25TH ANNIVERSARY OF YOUTH CONSERVATION CORPS

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

Mr. DICKS. Mr. Speaker, today I had the pleasure of attending the 25th anniversary of the Youth Conservation

Corps, a program that was created in 1970 with the leadership of Congressman Lloyd Meeds and a former Senator from the State of Washington who served in the other body, Senator Henry M. Jackson. This is a program that employs several thousand people each summer working on our national parks, our wildlife refuges in order to do work and maintenance in those areas. It is modeled on the very successful Civilian Conservation Corps of the Roosevelt administration, and I had a chance to see these young workers today doing work on the C&O Canal and to hear their stories about their involvement, and again I think it emphasizes how important it is for us in this Congress to support programs like the YCC, and I believe that the taxpayers get a good return and young people get an opportunity to serve the country and work on important environmental projects.

MARMENT LOCKS IMPORTANT TO INLAND WATERWAY SYSTEM

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

Mr. WISE. Mr. Speaker, the Marment Locks are an extremely important project not only for West Virginia but actually for the inland waterway system. There is a lot of uncertainty because the appraisal and real estate acquisition process must go forward. Two hundred families have been waiting a long time for this to happen. In the energy and water appropriation bill today that passed this House there was no language about that, and that is because that there is a two step, there are two ways that we can get such a project as this moving forward, and I just want to assure people that the process is not stopped.

The energy and water appropriation bill had a rule that there would be no new starts involved in it, neither the House, nor Senate, at this time. However, the other step the other way is the authorization process, and the water resources bill contains full authorization for the Marment Locks, it has passed the Transportation and Infrastructure Committee.

I am urging the congressional leadership, and I think on a bipartisan basis, to bring this to the floor as soon as possible and to end this uncertainty. It is definitely possible for the water resources bill to be enacted this year to give approval for the Marment Locks to move forward and end this delay and uncertainty for so many families in West Virginia.

ORDER OF BUSINESS

Mr. CLINGER. Mr. Speaker, I ask unanimous consent to present my special order at this time.

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

There was no objection.

WHITE HOUSE ACQUISITION OF FBI FILES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. CLINGER] is recognized for 5 minutes.

Mr. CLINGER. Mr. Speaker, I rise today to address a very serious issue. For over 3 years I have tried to get to the bottom of the White House travel office firings and most recently the White House's acquisition of hundreds of FBI background files of former Republican officials.

Why has the White House resisted making public the information needed to conclude these investigations? One of the foremost questions in my mind as the committee sought to understand how and why the White House obtained these FBI background files was: Who is Craig Livingstone? Who recommended him? Who hired him? And why was he ever put in charge of such a sensitive job at the White House? Simple enough questions, or so I thought.

Even though Mr. Livingstone enjoyed an unusually long tenure in the White House Counsel's office—surviving four White House counsels and even though he enjoyed a 40-percent salary increase by touting his record as a ''team player'' while keeping bankers' hours—now a month later, we still have no answers to the simple question of who brought Craig Livingstone into the Clinton inner circle as Security Chief. Does Craig Livingstone really not know who hired him or is he just not telling us? Who in the White House recommended that the counsel's office hire Craig Livingstone?

Seeking answers elsewhere for Craig Livingstone's immaculate hiring as it was described by one observer, I directed my investigative staff to conduct depositions of the FBI agents assigned to the White House for background investigations. FBI Director Louis Freeh personally suggested that I review Mr. Livingstone's FBI background investigation file rather than question his agents directly on this subject.

Last Thursday, July 18, I went to the FBI headquarters where I reviewed Mr. Livingstone's FBI background file. During the course of an FBI background investigation, it is customary to interview an individual's supervisors. Among those interviewed for Craig Livingstone's background check was then-White House Counsel Bernard W. Nussbaum. The interviews took place in early March.

In the interview conducted of 1993, an interview conducted by Agent Dennis Sculimbrene, his report of this interview stated that Mr. Nussbaum advised, and I am quoting, ''that he is not only an appointee of Craig Livingstone for the period of time that he has been employed in the new administration, Mr. Livingstone had come highly recommended to him by Hillary Clinton, who has known his mother for a longer period of time.'' The agent reported that Mr. Nussbaum said that, quoting, ''he was confident that the appointee lives a circumspect life and was not aware of any drug or alcohol problems.''

This 1993 statement calls into question Mr. Nussbaum's June 26, 1996 statements made under oath before the Government Reform and Oversight Committee. When Congressman STEVE HORN asked former Associate White House Counsel William Kennedy whether Mrs. Clinton wanted Mr. Livingstone there at the White House, Mr. Kennedy testified that, and I am quoting: ''I can state that I have never discussed Mr. Livingstone with Mrs. Clinton in any way, shape or form.'' Mr. Nussbaum immediately responded: ''Nor did I.'' When I directly asked Mr. Nussbaum, ''Do you know who hired Craig Livingstone?'' Mr. Nussbaum responded: ''I don't know who brought Mr. Livingstone into the White House.''

Just as disturbing, is the fact that the FBI provided a heads up about this information to the White House. I learned this week that prior to my review of Graig Livinstone's FBI background file, the FBI called White House Deputy Counsel to the President Kathleen Wallman to provide information contained in Craig Livingstone's file—information that previously had not been provided to the White House. Did the White House tell anyone about this information?

What possible legitimate purpose could the FBI have had to call the White House about this information? Why did the FBI not contact the independent counsel if they really were concerned about the information discovered in Livingston's background file?

The day after the FBI contacted the White House, on Wednesday, July 17, two headquarters agents went to Agent Dennis Sculimbrene's home at 10:00 in the morning and interviewed him about the taking of the Nussbaum statement. The FBI agents conducting the interview told Mr. Sculimbrene that the White House was unhappy and concerned about this particular interview and about what had been said about Bernie Nussbaum.

Why, after the Attorney General herself said that it would be a conflict of interest for the FBI or the Justice Department to investigate anything related to this matter, would FBI agents go to the home of such a critical witness? Who directed these agents? Who approved and knew about these actions and when did they know? Was the independent counsel informed and why was Agent Sculimbrene told that the White House was unhappy?

□ 1715

This is a matter I will refer to the U.S. attorney for the District of Columbia. Because Attorney General Reno has designated Independent Counsel Kenneth Starr to investigate potential criminal wrongdoing in the White

House Travel Office and FBI Files matters, I am simultaneously forwarding this matter to Judge Starr's attention.

While our investigation is continuing, our focus is not, not on possible criminal activities. I want to emphasize that I am not here to prejudge the veracity of any of the statements that I have referred to, but I am concerned about what appear to be very serious discrepancies. I believe, therefore, this issue must be addressed by a Federal law enforcement office tasked to review these types of issues.

Mr. Speaker, I include for the RECORD the following information:

WHITE HOUSE AND FBI ACTIONS AND CONTACTS ON FBI FILE MATTER—PREPARED BY STAFF OF HOUSE GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

JUNE 14, 1996

FBI issues report on White House obtaining FBI files saying the FBI was ''victimized'' by the White House's gathering of FBI background files.

Craig Livingstone is deposed by the Committee on Government Reform and Oversight and reveals problems in his background.

JUNE 17, 1996

Craig Livingstone is deposed by the Committee on Government Reform and Oversight.

White House Counsel Jack Quinn announces that Livingstone has asked to be put on administrative leave.

JUNE 18, 1996

After an initial inquiry, Independent Counsel Starr advised Attorney General Reno that he does not believe he has jurisdiction to investigate the FBI File matter further.

Attorney General Reno ordered the FBI to conduct a thorough investigation into unjustified White House requests for background files.

JUNE 20, 1996

Attorney General Reno turned the investigation of White House requests for FBI background files over to Whitewater Independent Counsel Starr in order to avoid a conflict of interest. Reno wrote: ''I have concluded it would constitute a conflict of interest for the Department of Justice itself to investigate the matter involving an interaction between the White House and the FBI, a component of the Department of Justice.''

JUNE 26, 1996

Craig Livingstone announces his resignation in his opening statement before a Committee on Government Reform and Oversight hearing on the Security of the FBI Files.

JUNE–JULY 1996

Independent Counsel investigation proceeds with numerous White House witnesses appearing before the Grand Jury.

JULY 15, 1996

Dennis Sculimbrene is deposed by the Committee on Government Reform and Oversight.

JULY 16, 1996

Chief Investigative Counsel Barbara Olson of the Committee reviews the FBI background file of Craig Livingstone and Anthony Marceca.

According to FBI Counsel Shapiro, he contacted Deputy White House Counsel Kathleen Wallman regarding the Nussbaum interview in Livingstone's FBI background file.

JULY 17, 1996

Two FBI agents from FBI Headquarters appear at the Haymarket, Virginia home of Dennis Sculimbrene to talk with him about his interview of Bernard Nussbaum and show him the document. They also ask him for his notes of the interview.

Committee holds hearing with Secret Service witnesses on the Security of FBI Background Files. Secret Service Agent Arnold Cole reveals that he spoke with Bill Kennedy about problems in the background of Craig Livingstone when the Secret Service reviewed his file for security concerns.

JULY 18, 1996

Chairman Clinger and Chief Investigative Counsel Barbara Olson review Craig Livingstone's FBI background file at the FBI. Chairman Clinger requests information regarding any communication of information in the Craig Livingstone FBI Background file to the White House.

JULY 19, 1996

FBI General Counsel Shapiro writes letter to Chairman Clinger informing him that the FBI did indeed provide the White House with information on the Nussbaum interview: ''because issues raised in Mr. Nussbaum's interview [in Livingstone's FBI background file] has been discussed in connection with the Committee's oversight investigation, it was determined that the Bureau had a responsibility to advise affected parties. Therefore, after arrangements were made for your staff to review the files, the Department of Justice, and then the White House, were advised of the results of this review.''

A PARTISAN SMEAR

The SPEAKER pro tempore (Mr. HOBSON). Under a previous order of the House, the gentleman from California [Mr. WAXMAN] is recognized for 5 minutes.

Mr. WAXMAN. Mr. Speaker, I want to point out how outrageous it is that the gentleman from Pennsylvania [Mr. CLINGER], the chairman of the committee, that has been investigating whether there has been an invasion of privacy by the gathering of FBI files would come to the floor and disclose information that he has from FBI files. It seems to me that, if we are talking about protecting people's privacy, it is out of line to come to the floor and use information that has not been verified, presumably from some FBI file, to try to smear the First Lady, Bernard Nussbaum, the counsel, and the Democratic administration. This is a partisan smear.

I have information that I am going to insert in the RECORD that contradicts the statement made by the gentleman from Pennsylvania [Mr. CLINGER]. I want to point out that, when a Member of Congress speaks from the House floor, he is protected. We can say anything we want. No one can file a lawsuit against us. But that does not give us the right to come here and disclose information that ought not to be disclosed.

If there is an accusation about people in the White House having gathered FBI files improperly, that accusation appears to be accurate, but there has been no showing that any of that information was ever made public or used for political purposes. But what we have here right now is the use politically of information from the FBI.

I include for the RECORD these statements that contradict what has been alleged on the House floor and to point out to the Members that this kind of activity, it seems to me, is outrageous and is really uncalled for.

The material referred to is as follows:

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, DC, July 19, 1996.

Hon. WILLIAM F. CLINGER,
Chairman, Committee on Government Reform and Oversight, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I have been advised that you and Committee Counsel Barbara Olson visited the FBI yesterday for the purpose of reviewing the background investigation files of Craig Livingstone and Anthony Marceca. As you know, the FBI's investigations of Mr. Livingstone and Mr. Marceca were undertaken at the request of the White House and the results of the investigations were previously provided to the White House.

After your review of these files, I understand that you noted that neither of the summary memoranda reflecting the results of the FBI's investigation of Mr. Livingstone reflected certain specific information recorded as a result of the FBI's interview of Bernard Nussbaum, then counsel to the President. You asked what the FBI's response would be if the White House requested any additional information from the file beyond the summary memoranda furnished.

As you know, the FBI conducts background investigations for various congressional committees and other government entities, including the White House. With regard to requests for background investigations from the Department of Justice, the Department of Energy, the Nuclear Regulatory Commission, and the Administrative Office of the U.S. Courts, the FBI provides the actual investigative reports. Only certain information is withheld, e.g., if an interviewee requests that his identity be protected from disclosure outside the FBI. With regard to background investigations conducted for congressional committees and the White House, by agreement the FBI provides summary memoranda that synopsize the information in the underlying investigative reports. Since 1983, at the request of the White House, the FBI also attaches to the summary memoranda any FD–302s that reflect derogatory information. So, for example, the FBI's communication that provided the White House with the results of the remainder of the Bureau's investigation of Mr. Livingstone included an FD–302 reflecting the results of an interview with an individual who volunteered derogatory information. The summary memoranda are intended to address all the concerns of the client entity requesting the background investigation but if that client asks for additional information from the report, the FBI would provide the requested information subject to certain limitations, e.g., the interviews specifically requests confidentiality.

You also expressed concern as to whether the information in Mr. Livingstone's files, particularly with regard to the record of the interview with Mr. Nussbaum, should be provided to the White House by the FBI. You indicated that you would want to know if the White House asked for or was provided that information and what the justification for providing it would be.

During the course of this or any other oversight investigation, the FBI works to cooperate fully with congressional committees as well as any other agencies or entities impacted by the inquiry. Our effort is to remain non-partisan ensuring that facts within our possession which are relevant to an inquiry are provided to affected entities to the extent that we are aware of such an interest.

When the FBI first learned from your staff that your Committee was interested in looking at the background investigative files of Mr. Livingstone and Mr. Marceca, the files were reviewed to remove identifying information relating to third parties as well as third agency information. During this review, the information concerning the results of the interview with Mr. Nussbaum were identified. Because issues raised in Mr. Nussbaum's interview had been discussed in connection with the Committee's oversight investigation, it was determined that the Bureau had a responsibility to advise affected parties. Therefore, after arrangements were made for your staff to review the files, the Department of Justice, and then the White House, were advised of the results of this review. As you will recall, we followed this procedure of full disclosure when we first located the White House request for Barnaby Braeseux's previous reports, which the Director advised you of personally on June 5, 1996. In that instance, as in others, you were advised of the information well in advance of any notices being given to the White House.

The minority staff of the Committee on Government Reform and Oversight have not asked for further details about the information in question. However, if they do so, the FBI will similarly advise them.

I hope this information is helpful to you. As the Director has advised you, the FBI wants to continue to cooperate fully with you in this matter. Please advise me if I can be of any other assistance.

Sincerely yours,

HOWARD M. SHAPIRO,
General Counsel.

FIRST LADY HILLARY CLINTON Q AND A'S IN BUCHAREST, ROMANIA, MONDAY, JULY 1, 1996

Q from AP: Before we get too far along with our wonderful Romanian visit, I want to clear up just one thing hanging over Washington. Did you or to your knowledge, did Vince Foster have anything to do with the hiring of Craig Livingstone?

A from HRC: I don't know anything about it, I know I didn't.

Q from AP: Do you have any reason to believe that Vince Foster did?

A from HRC: I have no reason believe that.

Q from AP: Is there any connection between your mother and Craig Livingstone's mother. Which is something the FBI agent is claiming.

A from HRC: The ''ex FBI Agent''? No there is no connection. I do believe, if I ever meet the woman I'm going to say ''Mrs. Livingstone I presume.''

FIRST LADY DISCUSSION WITH TRAVELING PRESS, HELSINKI, FINLAND, JULY 10, 1996

Q from ABC: I need to follow-up on one of Ron's questions. When did you first meet Craig Livingstone? When did you become aware that you knew him?

A from HRC: I don't have any idea. I don't recall meeting him for the first couple of years we were in the White House. I just don't know him. I have met him since then, but my best memory is sometime within the last year is the first time I ever put a face and a name together.

Q from AP: I really don't want to belabor this, but did I understand you on the Livingstone question, that you don't really have a memory of knowing him until this all happened?

A from HRC: Ron, I did not know his mother. I did not know him. I did not have anything to do with his being hired. And, I do not remember even meeting him until sometime in the last year. So, it does not mean I did not run into him. It does not mean that I did not shake his hand in a receiving line. All that could have happened. But, in terms of any connection with this young man or any kind of relationship with him, there was none.

DEPOSITION OF WILLIAM H. KENNEDY, III, COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT, JUNE 18, 1996

Q. Do you know if the First Lady was involved at all with the hiring of Craig Livingstone in your office?

A. I don't believe she was. I do not know one way or the other. I don't believe so.

Q. Do you recall ever saying to anyone that the First Lady wanted to have Craig Livingstone in the position at the Security Office at the White House?

A. Me ever saying that?

Q. Yes.

A. I never said that.

STATEMENT OF WILLIAM H. KENNEDY, JUNE 29, 1996

Gary Aldrich's account of a conversation with me about Craig Livingstone's suitability for the job of Director of Personnel Security is pure fiction. I never told Aldrich that Mrs. Clinton wanted Mr. Livingstone in that post. I have never had any discussion with Mrs. Clinton about Craig Livingstone. No one else ever told me that Mrs. Clinton had any interest whatsoever in Mr. Livingstone or his position.

SWORN TESTIMONY OF CRAIG LIVINGSTONE, SENATE JUDICIARY COMMITTEE, JUNE 28, 1996

Leahy: OK. I've also read in the press allegations that come from unspecified sources that your mother is a close friend of the first lady. Is she?

Livingstone: No, sir.

Leahy: And you have no idea who those sources are that tell these things?

Livingstone: No. sir. I've asked my mother and she, for the record, says that she has never met Mrs. Clinton.

SWORN TESTIMONY OF CRAIG LIVINGSTONE, HOUSE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT, JUNE 26, 1996

Horn: Well, what I'm curious now is, Mr. Marceca and Mr. Livingstone, did Vice President Gore or Mrs. Clinton recommend you for the position you held, Mr. Livingstone, to your knowledge?

Livingstone: I have no knowledge of that.

Mica: Does anyone in your family have any relationship with the first family?

Livingstone: Absolutely not.

A PROPER AND APPROPRIATE DISCUSSION

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

Mr. WALKER. Mr. Speaker, what we have just heard is a chairman of a committee of jurisdiction tell this House that members of the administration or formerly members of the administration came before this Congress and told a lie. I think that is the business of this Congress. I think it is entirely appropriate to discuss on the House floor the fact that someone came before an investigative committee and lie to that committee. I think it is entirely appropriate for the chairman of that committee to take those actions that are available to him in order to ensure that those matters are brought before proper authorities.

What has happened here this evening is that we have had a chairman exercise his obligation to the American people and his obligation under the Constitution to, first of all, do oversight and then, if that oversight process is not properly adhered to, to ensure that the proper law enforcement officials focus on it. That is exactly what was done here tonight. It is absolutely proper.

EMBARRASSING ACTIVITIES OF THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. KANJORSKI] is recognized for 5 minutes.

Mr. KANJORSKI. Mr. Speaker, I am very disappointed in the fact that my chairman came here and took the floor. I have had a great deal of respect and regard for the gentleman from Pennsylvania [Mr. CLINGER], and as the days and weeks move on toward the end of this session, watching the activities of the Committee on Government Reform and Oversight of the House of Representatives, I am getting more embarrassed every moment.

I say, and I am looking right at the gentleman from Pennsylvania [Mr. CLINGER], I was aware of what you were going to say today. . . .

Mr. SOLOMON. Mr. Speaker, I demand that the gentleman's words be taken down.

The SPEAKER pro tempore (Mr. HOBSON). The gentleman will be seated.

The gentleman asks that the words be taken down.

The Clerk will report the words.

□ 1720

The SPEAKER pro tempore (Mr. HOBSON). Does the gentleman from Pennsylvania seek recognition?

Mr. KANJORSKI. Yes, Mr. Speaker.

Mr. Speaker, I understand that the taking down of my words was with the intention that it was a personal attack, referring to the gentleman from Pennsylvania [Mr. CLINGER] . . . Certainly I am not attacking nor do I intend to attack him personally in that regard. The expressions were perhaps not precise in the use of the language and I would like to correct and get understood on the record what my intentions were.

That is, as an old lawyer myself and as a reader of the Constitution, I wanted to call the attention of the House and those people watching this proceeding that if the remarks made by my colleague from Pennsylvania were made outside of the House Chamber, he could be subject to tortious action.

Mr. WALKER. Mr. Speaker, I demand the gentleman's words be taken down again.

The SPEAKER pro tempore. Does the gentleman from Pennsylvania have a unanimous-consent request?

Mr. KANJORSKI. Mr. Speaker, I am making a request to withdraw my original words.

The SPEAKER pro tempore. The gentleman will state his unanimous-consent request.

Mr. KANJORSKI. Mr. Speaker, I ask unanimous consent to withdraw my words.

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

Mr. WELDON of Pennsylvania. Mr. Speaker, reserving the right to object, is the gentleman apologizing for his statement?

Mr. KANJORSKI. No.

Mr. WELDON of Pennsylvania. Then I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will report the words.

The Clerk read as follows:

I was aware of what you were going to say today. You know full well the reason you came down here on the floor and said what you said is that you didn't have the nerve to go up in the Press Galley and make those charges because you would be subject to a lawsuit.

The SPEAKER pro tempore. The Chair will rule. In the opinion of the Chair, the remarks question the integrity of the gentleman from Pennsylvania [Mr. CLINGER] and constitute a personality in debate.

Without objection, the words are stricken from the RECORD.

There was no objection.

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania may proceed in order.

Mr. WALKER. I object.

The SPEAKER pro tempore. Objection is heard.

Mr. HORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman from California is recognized for 1 minute.

Mr. RANGEL. Mr. Speaker, reserving the right to object, I would like to ask the Chair whether this intervention at all will cause the matter that was before the Chair to be discontinued. In other words, we are not finished with this matter.

The SPEAKER pro tempore. Other Members may speak with permission of the House.

Mr. RANGEL. And so this matter can be returned to, notwithstanding the unanimous-consent request?

The SPEAKER pro tempore. By other Members of the House.

Mr. RANGEL. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

Mr. HORN. Mr. Speaker, I think it is clear to all of us that the committees of this House are agents of the House, and ultimately it is the House that determines whether such committees exist or not, and I think, as most of my colleagues know, when a witness comes before the Committee on Government Reform and Oversight and any of its subcommittees, one of which I Chair, each witness, unless it is a Member of Congress, takes the oath to tell the truth, nothing but the truth, the whole truth, and so forth. These witnesses were all under oath.

The chairman of the committee, when he recalled that the question was asked specifically of each of these witnesses as to whether or not either the First Lady or the Vice President of the United States had recommended Mr. Livingstone, every single one of the witnesses before us denied it.

Mr. Speaker, that is a matter of perjury that ought to be of concern to the House of Representatives. They did not say what one other series of witnesses said to a Senate committee, that, ''Gee, I can't recollect; I just don't remember.'' They did not say that. They said no, none of that was true. We now find it was true.

Mr. FILNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman from California may proceed.

There was no objection.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

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

Mr. WAXMAN. Mr. Speaker, let me clarify for everybody what is involved here. There is a retired FBI agent who has said that he talked to Bernie Nussbaum, the counsel to the President, when he was doing the file for Mr. Livingstone, and he claimed Mr. Nussbaum said that Livingstone was being hired because his mother was a friend of Hillary Clinton's. Bernie Nussbaum denies that. Hillary Clinton denies that.

Mr. Speaker, there is no verification by the gentleman from Pennsylvania [Mr. CLINGER] of the facts of it. Instead, he has come to the floor and made the assertion that when Mr. Nussbaum denied this and Mr. Kennedy denied this and said that they knew of no connection with Hillary Clinton that they committed perjury.

Mr. Speaker, how can you reach the conclusion that when they deny what they know and what they said makes them wrong and somebody else right, unless you are going to take the statement by this FBI agent as fact without any verification?

Mr. Speaker, I am inserting in the RECORD a clear statement from Mr. Nussbaum indicating he never said such a thing and it was not true.

STATEMENT OF BERNARD NUSSBAUM

I never told FBI Agent Sculimbrene, or anyone else, that the First Lady recommended Craig Livingstone for his position in the White House or that the First Lady knew Livingstone's mother. I never knew or heard any such things. In fact, I understand that the First Lady and Livingstone's mother don't know each other. I am mystified and outraged that someone would attribute to me something I never said.

Mr. DELAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, the gentleman from Texas is recognized for 1 minute.

There was no objection.

Mr. DELAY. Mr. Speaker, before I yield to the distinguished chairman of the Committee on Government Reform and Oversight, I just want to say that there have been a lot of misstatements in the press, outside this Hall and inside this Hall, by the administration concerning the FBI files.

Mr. Speaker, I stand behind this chairman, and no one in this town or in this Nation would ever question the integrity and the straightforwardness of the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Speaker, I just want to make sure the record is straight, that I have not accused anybody of perjury or of false statement. I have said that there are serious discrepancies between testimony that was given before our committee and statements that were made to an FBI agent in pursuing the Craig Livingstone background file.

I did indicate, however, that these discrepancies should be explored. It is not the role of the Committee on Government Reform and Oversight to determine which is right or which is wrong. I think it is the appropriate role of the independent counsel or of the U.S. attorney for the District of Columbia to determine where the truth lies. I hope the gentleman will agree he made a misstatement that I was accusing somebody of perjury.

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

Mr. WAXMAN. Mr. Speaker, I do not in any way want to impugn the integrity of the gentleman from Pennsylvania for whom I have the greatest respect. He has indicated that there is a discrepancy. The discrepancy is that in the FBI files there was an FBI agent who claimed that he was told by Mr. Nussbaum that the reason Craig Livingstone got this job is because his mother was a friend of Hillary Clinton's.

I am putting in the RECORD a statement from Gloria Livingstone saying she does not know Hillary Clinton. The only time she ever met her was when she decorated a Christmas tree and Hillary Clinton came out and thanked everybody for their help.

Mr. Speaker, I have previously included in the RECORD an unequivocal denial by Mr. Nussbaum, who is willing to come before the committee and make this denial under oath.

Mr. Speaker, I think we ought to make clear that when the chairman comes and makes a statement like this, which is quite inflammatory, that it is not an uncontroverted statement by a man who does not know firsthand whether Mr. Nussbaum actually said

such a thing or Mrs. Clinton was a friend of Mr. Livingstone's mother.

JULY 25, 1996.

STATEMENT OF GLORIA LIVINGSTONE

I do not know Hillary Rodham Clinton, I have never met Mrs. Clinton, and I have never spoken with Mrs. Clinton. We are not, and never have been, personal friends.

I believe the only occasion I was in the same room as Mrs. Clinton was shortly before Christmas last year, when I had the privilege of helping to decorate the White House Christmas tree. At one point, Mrs. Clinton entered the room and thanked us as a group for our efforts.

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

Mr. GEJDENSON. Mr. Speaker, I find a very frightening trend in this Chamber that there is an attempt to squelch free speech. It actually started in the very first days of the Congress, shutting down some of the institutions that represented various concerns in the country.

Now, we see on the floor when individuals try to express or respond to what was a very inflammatory statement apparently on the Republican side, that when the minority tries to respond parliamentary maneuvers are used to prevent them from speaking.

Frankly, through the years we gave far greater opportunity to the minority to express its statements than we have seen here. The attempt to operate this House ad hoc out of the Committee on Rules, to try to squelch honest debate and criticism, the first instance of course was the Speaker himself when the Speaker used to come to the well and absolutely devastate everyone else as soon as his name was mentioned. They stopped it. It is an outrage.

Mr. ARMEY. Mr. Speaker, I ask unanimous consent to speak out of order for 2 minutes.

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

There was no objection.

Mr. ARMEY. Mr. Speaker, again let me extend my apologies for my abruptness to the gentleman from Wisconsin who was up at the same time seeking recognition.

Mr. Speaker, I would like to suggest to all of us here that although there is an intense interest in the issue we have been discussing, and there are certainly going to be many opportunities for this discussion to continue, both on and off the floor of this Chamber, that we do have the New York delegation who are here, and have been patiently waiting for the opportunity to express themselves in a special order about a fallen comrade. I do think that perhaps it might be in the best interest of the decorum of this body if perhaps we could move this debate to another time, another venue, or perhaps further work in the committee or on the floor at another time, and at this point cede the floor to those folks that are so concerned, so interested in doing their job.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I wonder if we might, so that the New York delegation could get to its intended business, if we could dispose of this matter the same way that we disposed of an incident several weeks ago involving the gentleman from Arizona and the gentleman from Wisconsin now speaking, when the gentleman from Illinois [Mr. HYDE] suggested that it might be resolved by simply an expression of regret to the House by the Member in question that the incident occurred so that we can expunge the RECORD and return to the normal business of the House.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from Wisconsin.

Mr. Speaker, again I think in the interest of decorum and the interest of consideration, one for another among our colleagues, I would like to personally ask unanimous consent that the gentleman from Pennsylvania [Mr. KANJORSKI] be given time for a short statement, after which I would expect we should be able to move on, return to normalcy for all parties concerned and allow the New York delegation to move on with their work.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for 1 minute.

Mr. KANJORSKI. I appreciate the majority leader's courtesy.

Mr. Speaker, I wish to take this opportunity to apologize to my friend from Pennsylvania, if I have in any way caused you discomfort to attacking your integrity. I never intended to do that. I merely wanted to express that there was another forum that could have been used for this, and there would be other jeopardies involved if it had been used.

Having served in the House for 12 years now and having been here some 42 years ago with a good friend of mine, Bill Emerson, who we just saw die last week, it has always been my intention that we have comity in the House and civility, and I have to say that I see myself having gotten into this engagement with great disappointment because it does destroy the civility and the comity of the House, and I want my friends on the other side to know that I hope not to be a part of that, and any remarks that are taken that way, not only the gentleman from Pennsylvania [Mr. CLINGER] but all my friends on the Republican side, I would hope that you would do me the kind courtesy of taking it as I truly intended it, not to attack the integrity of the gentleman from Pennsylvania [Mr. CLINGER].

Mr. ARMEY. Mr. Speaker, with that apology, which I found to be quite gracious, I move that Mr. KANJORSKI be permitted to proceed in order and I would give my best regards to the New York delegation as I am confident we will soon be moving to them.

The SPEAKER pro tempore. Without objection, the motion is agreed to.

There was no objection.

□ 1740

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. HOBSON). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE NEED TO INCREASE AIRPORT SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, in deference to the New York delegation and to the untimely death of our beloved Ham Fish, I will not take the entire 5 minutes.

Mr. Speaker, I would just like to say real quickly that there was a tragedy that occurred last week in New York going out of Kennedy airport. The TWA airplane that took off from Kennedy heading for Paris was blown up shortly after takeoff, and it is highly suspicious as to what was the cause. Some people right now believe it may have been the act of a terrorist. It is premature to say that but it certainly looks that way.

Toward that end, I have introduced legislation which I introduced after the Pan Am bombing over Lockerbie, Scotland a few years ago, which mandated that at every major airport in the United States, the 50 largest airports, that there would be sniffer dogs at the gates and where the luggage goes through to try to find out if plastic explosive or other explosive devices are going through. With the millions and millions of people that are traveling through the airports and through the air in the United States of America, it is imperative that they be as safe as is humanly possible.

The mechanical devices that have been tested have been found flawed. Sniffer dogs and other animals that can sniff out plastic explosives can save a lot of lives. We here in the Capitol today were using sniffer dogs because we had foreign dignitaries visiting, and we wanted to make sure they were protected and there were no explosive devices put in this Capitol.

They do work. They are effective. There are some down sides to them. It is expensive. You have to have a lot of dogs. But in this climate of terrorism in this world and in the United States of America, I think it is imperative that this legislation be passed as quickly as possible. I urge my colleagues to look at this bill seriously and cosponsor it if they feel so inclined.

INTRODUCING THE CHURCH INSURANCE PROTECTION ACT OF 1996

The Speaker pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, today my colleague the gentlewoman from Georgia, CYNTHIA MCKINNEY, and I rise in defense of our Nation's sacred houses of worship by introducing H.R. 3830, the Church Insurance Protection Act of 1996.

Our legislation will prohibit insurance companies from canceling, overpricing or refusing to renew fire insurance policies for any house of worship due to the current threat of arson. We are currently joined in our efforts by over 20 of our colleagues, and we are confident that this number will grow as more become familiar with the need for this important legislation.

We cannot allow the insurer's fear of a claim to remove a congregation's ability to adequately protect its house of worship and support buildings. Our churches must be held harmless and not subject to punitive measures from insurance companies.

Last month in a rare unanimous vote this House approved H.R. 3525, the Church Arson Prevention Act of 1996, to deter the epidemic assault on our Nation's houses of worship. It was our obligation to deter the flames of bigotry and ignorance that set these churches ablaze. We could do no less.

Thankfully, few churches have been lost in the weeks since we passed this legislation. However, our work is not complete. America's churches are facing another threat, the loss of insurance coverage. With the embers of the destroyed churches still smoldering, some insurance companies have canceled or have threatened to cancel fire insurance policies for houses of worship because of the perceived increased risk of arson, and more companies are threatening to do the same.

This threat has not been limited to the areas most affected by the church fires. Both predominantly African-American and predominantly white congregations in my own congressional district in San Diego have been threatened with loss of their fire insurance policies, as well. By prohibiting policy cancellations, this Church Insurance Protection Act extinguishes the smoldering embers that will continue to threaten our churches long after the fires are put out.

America's houses for prayer are sacred places. While we continue our efforts to stop this current rash of arson fire and to rebuild these houses of worship, we must also be certain to protect their ability to insure themselves against future violence. Just as the House rose, with one voice, to denounce these hate-driven acts of arson last month, I hope it will unanimously endorse this measure to guarantee insurance protection for our churches.

America's churches cannot wait any longer for passage of this bill. We urge our colleagues to act promptly to bring this important legislation to the full House before Congress adjourns.

REPORT FROM INDIANA: SHARES, INC.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for 5 minutes.

Mr. MCINTOSH. Mr. Speaker, I rise today to give my report from Indiana. But before I do, let me digress for 30 seconds and say I was at the hearing at which the gentleman from Pennsylvania [Mr. CLINGER] chaired on the issue of the FBI files, and I share his recollection. I also share his frustration that much of the testimony there seemed incomplete, inaccurate, and perhaps intentionally so. I want to applaud his efforts at being very judicious and thorough in getting to the bottom of this.

When I was at home in my district, several people came up to me and said: This is not a partisan matter. We are Democrats, but we want you to get to the bottom of this because we fear there may have been a grave breach of our civil liberties in this country by those actions. So I think it is something that we should all, on both sides of the aisle, support the effort to get all of the facts on the table as the gentleman from Pennsylvania [Mr. CLINGER] has done in chairing that committee.

PARLIAMENTARY INQUIRY

Mr. RANGEL. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Indiana yield to the gentleman from New York?

Mr. MCINTOSH. Yes, Mr. Speaker.

Mr. RANGEL. Mr. Speaker, I thought that it was the ruling of this House that this issue was taken off of the floor so that we could proceed rapidly in other matters. Was that the ruling of the Chair as relates to the matter of the gentleman from Pennsylvania [Mr. CLINGER]?

Mr. MCINTOSH. Reclaiming my time, I have no further remarks about that subject. Let me continue with my report from Indiana.

Mr. Speaker, every weekend I return home with my wife Ruthie to visit wonderful people throughout the State of Indiana. They are the type of people who are contributing to making our community strong, people that I think of as Hoosier heroes. Why do I call them Hoosier heroes? Because they are the type of people who go beyond the ordinary in order to help build stronger communities in our State. We can all be proud to call them our friends and our neighbors.

Today I want to commend the people who operate a company called Shares, Inc., in Shelbyville. It is an operation which employs and helps 300 handicapped, disabled, and mentally retarded individuals. Dick Fero, who is a good friend of mine, brought me to Shares and toured me through the plant over 3 years ago, and I was impressed with the vast resources made available to help these people who have special needs in Rush and Shelby Counties, everything from transportation, recreation, counseling, adult education, and speech therapy.

The true success of Shares is found in the hearts and souls of the employees, the workers and the volunteer board of directors. Their hearts and souls unconditionally give their time, energy, and love to help these very special people.

People like Judy Weaver, who has worked there as the work manager for 12 years. Judy takes care of these people by making sure that their job on the line—they are performing light assembly and other services—is something that they can do in order to enrich their lives. She is tops at what she does. So is Arnie Petrie, who is another dedicated employee of Shares.

The key thing in Shares, Inc., is that they are willing to put people to work who ordinarily would not be able to receive a job in the marketplace. If you take a tour of Shares, you can see the happiness and the pride in the faces of those people who are working there, because they have a chance to earn a living and take care of themselves.

Success stories are wide and deep. Take 25-year-old Angela Woolen of Shelbyville. She is mildly handicapped, and yet she has been able to get a job at the Pizza Hut and the local library because of her work experience at Shares, Inc. Perhaps her success in the real work environment can be found in her own words: ''I am not different from anyone else. I want to get my job done right. Independence is the most important thing to me.''

In addition to their services for the handicapped, the folk at Shares provide them with real jobs and training that helps them in their lives. Everyone wins: the staff, the mentally ill, the handicapped workers.

The folks at Shares are doing good things. They see that these people who are less fortunate than the rest of us have a chance and are not forgotten. Indeed, they set an example for the rest of us that we reach out, lend a helping hand, and that we show our love for those people who cannot always care for themselves. Everyone involved with Shares is a Hoosier hero.

Mr. Speaker, that concludes my report from Indiana.

JEREMY RATHBURN

Mr. Speaker, I rise today to give my report from Indiana. So often, people share with me amazing stories about their friends and family. Stories about good citizens doing good deeds. These people make our communities a better place.

Those that reside in the 2d Congressional District of Indiana, I have termed ''Hoosier Heroes.''

Hoosier Heroes because they set examples for us all to live by. Today, I'd like to share with you the story of a 10-year-old Hoosier Hero from Greensburg, IN.

Jeremy Rathburn, a graduate of Washington Elementary. He enjoys basketball, soccer, rollerblading, and trading cards, just as all kids his age do.

What sets him apart is something most kids, as well as adults, would not do.

It is so unique, in fact, that his aunt contacted our office. She said, ''Jeremy is a real good boy and I'm proud of him. I thought he should be recognized.'' And indeed he should. Jeremy turned in $250 that he found on the floor of McDonald's.

The Greensburg Police Department returned the money to the rightful owner and recognized Jeremy's honesty in front of his classmates.

Jeremy also received a reward from the owner of the money, a certificate from Mayor Shel Smith, and McDonald's gift certificates.

Today, we only hear about the problems surrounding the youth of society—drugs, crime, violence.

It is truly comforting to hear stories of honesty, integrity, and good deed.

Children are taught the difference between right and wrong.

Jeremy Rathburn recognized that difference and I am pleased to recognize him for his virtuous behavior. That, Mr. Speaker, concludes my report from Indiana.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind Members that we are trying to accommodate the gentleman from New York; however, 5-minute requests have precedence over longer special orders and within the bounds of the rules of the House, all matters are able to be discussed.

THE VANISHING AMERICAN DREAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. MASCARA] is recognized for 5 minutes.

Mr. MASCARA. Mr. Speaker, I rise this evening to talk about the vanishing American dream and what we need to do to restore that vision of hope once widely held by hard-working Americans.

It is no secret that American families today are upset and afraid of what their tomorrow's may hold. Each one of us hears their concern every time we talk with constituents back home.

Back in the 1950's and 1960's, the road to a middle-class life was clearly marked. You made your way through high school, got a job in the local mill or plant, and in 5 or 10 years, you were well on your way to a secure future for yourself and your children.

Unfortunately, that comfort level does not exist today. Despite our growing national economy, low unemployment, and increasing productivity, Americans are no longer secure in their jobs and lives.

Recent polling shows they are very afraid the ax may fall tomorrow and any day they could be handed a pink slip, losing their job, their savings, their home, their hope for tomorrow.

A recent poll I took of my own constituents puts this issue into even sharper focus. When I asked what are the top five issues facing the country and our local area, the most frequent answers from nearly 8,000 respondents were too much unemployment, a lack of fair wages, and a need for more jobs.

It is no secret that working Americans blame big corporations for many of their woes. They greatly resent the incredible salaries paid to some top executives and firmly believe that workers have lost their jobs to pay for the CEO's golden parachute.

They will tell you that being loyal to a firm and working hard no longer counts. Tomorrow you could still be out the door.

Workers know the world is not going to go back to the way things operated in the 1950's. They understand global competition and the need for American firms and workers to face the reality of the new economic order.

All they are asking for is a return to fairness, a renewal of respect for the value of hard work, and a restoration of policies that ensure workers share in the financial success of their employers.

They especially want those of us serving in Congress to hear their plea and to take action to make life better for their families.

Members on my side of the aisle recently unveiled the families first agenda which includes a variety of realistic, moderate, achievable proposals for turning this situation around.

At the top of our list of legislative proposals are several that would provide security for working families by helping to ensure they are paid fair wages, have health care coverage for their children, and are afforded greater access to portable pension plans.

We also intend to open up educational and economic opportunities by proposing tax deductions for vocational and college educations and increasing efforts to help small businesses prosper.

While corporations have been downsizing, since the late 1980's, small businesses have created millions of new jobs. Many American families dream about operating their own small businesses. We need to give them the chance to succeed.

The last major component of this plank is called responsibility. Democrats believe the Government must be responsible and balance its budget. We acknowledge individuals must be responsible and there is a need for welfare reform, and a need for increased enforcement of child support orders, and a need to prevent teen pregnancies. Importantly, we also seek corporate responsibility, ensuring pensions and the environment are protected while offering incentives to encourage businesses to be more family and worker friendly.

One portion of this agenda which I personally recommend to my leadership was a section urging development of State infrastructure banks. Millions of miles of roads and water systems in our country are near total collapse. Every day, millions of dollars in commerce and productivity are lost forever because goods cannot be transported on our highways. Countless cities and towns across this country face a major crisis as aging water and sewer systems—many well over 100 years old—simply fail.

Before coming to Congress, I served as chair of the board of Washington County, PA commissioners for 15 years. My major focus in life was, and continues to be, economic development for southwestern Pennsylvania.

My district lost hundreds of thousands of jobs in the 1970's and 1980's as mines and steel mills closed. Several of the counties I represent are among the poorest in Pennsylvania.

So it should be no surprise that during my years as a county commissioner I worked day and night to attract new businesses to my region. Through a variety of innovative financing methods and working cooperatively with business operators, I was successful in bringing 12,000 new jobs to the county.

Since coming to Congress, I have continued to work hard for my district, promoting a number of economic development projects including construction of the Mon-Fayette Expressway, a major thoroughfare that would bring economic renewal to many areas of my district.

My point this evening is to urge that we all listen to hardworking families. We must begin to bring some of those innovative economic development tools used at the local level here to Congress.

I think if we do, we can begin to restore the faith of American workers and the American dream which should still be a reality for each and every American.

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

□ 1755

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MICA] is recognized for 5 minutes.

[Mr. MICA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

[Mr. WISE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

WEST MICHIGAN HAS LOW-COST, QUALITY HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. EHLERS] is recognized for 5 minutes.

Mr. EHLERS. Mr. Speaker, I take the floor today to highlight two studies

that were completed by the Center for Health Affairs and the Michigan Health and Hospital Association regarding the excellent health care that is delivered in my district and throughout west Michigan. The studies show that west Michigan hospitals have lower costs while also delivering health care that is consistently equal to or better than the expected rates for lengths of stay and mortality. These factors combined help to illustrate the fact that health care in west Michigan is both low in cost and high in quality, and that we can serve as a model for national efforts to reform our health care system.

Over the past 10 years, we have seen national consumer health care prices increasing significantly. Last year's increase in consumer health care prices of 4.5 percent was the lowest in 22 years, but this increase is still nearly two times the increase in overall consumer prices. So you can understand why a report illustrating the low cost of hospital care in west Michigan is an important event. These low costs can be attributed to several factors, but the most significant ones are that administrators are operating efficient hospitals, doctors are making responsible decisions about appropriate care, and patients are not over-utilizing health care resources.

The most traditional measure of hospital resources in inpatient bed capacity, measured by beds per 1,000 residents. The number of beds in west Michigan hospitals has decreased by 26 percent over the past 10 years. This reflects the changing philosophy in the health care sector toward less intrusive treatments, shorter hospital stays, the use of outpatient and home care, and greater emphasis on preventive care. In west Michigan, the number of acute care beds per 1,000 people dropped to 2.35 in 1993, meaning that we had 1,700 fewer beds than would be expected at the statewide average. And the State average is still below the national average of 3.3 beds per 1,000 people.

In addition, the admission rate to acute care hospitals in west Michigan is 28 percent lower than the average rate across the State and throughout the Great Lakes region. The length of time that a person is expected to stay in the hospital upon admission has also fallen considerably in west Michigan from 1980 to 1993. The average length of stay at 5.3 days is over 15 percent lower than the national average. In terms of length of stay for selected medical cases, west Michigan hospitals performed better than expected in all categories. The days of care per 1,000 people in west Michigan is 35 percent lower than the days of care per 1,000 people at the national average. Finally, the per person operating costs in west Michigan hospitals are 30 percent lower than the statewide average, and the expenses per admission are also 10 percent lower than the State expense per admission.

All these statistics may be numbing, but together these data show that west Michigan hospitals are leading the State and the Nation in developing low-cost, quality hospital care. The entire health care community is working together in west Michigan to find ways to lower the cost of health care, while still increasing the quality of the services delivered. I applaud health care providers in my region for the innovation and leadership that they have demonstrated. And I would like to highlight two hospitals in the Third District, Blodgett Memorial Medical Center and Butterworth Hospital, for being recognized for the second year in a row as one of the top 100 hospitals in the Nation. Hospitals included in this report, which is conducted by HCIA, Inc. and Mercer Health Care Consulting, reduced expenses per adjusted discharge, lowered mortality, and cut length of stay. If all hospitals emulated this performance, hospital expenses would decline by 17 percent, inpatient mortality would drop by 24 percent, and average lengths of stay would decrease by almost a day. These are the kind of results that we are going to need in order to decrease health care costs in a way that does not decrease the quality of care.

These results will also help us address the rapidly increasing rate of spending in the Medicare program. The Social Security Board of Trustees' report for the Medicare trust fund illustrates the grim prognosis that the rate of increased spending poses for the Medicare trust fund. One way that we can slow this increase in spending is by utilizing alternatives to fee-for-service coverage.

It is ironic, however, that the low cost of health care in west Michigan currently hinders our ability to attract Medicare managed-care organizations. In order to determine payments to managed care plans, Medicare uses a formula that is based on 95 percent of the average amount that Medicare pays per beneficiary for fee-for-service care. Low-cost areas, like west Michigan, receive dramatically lower managed care payments, based on this formula. As a result, the payments are too small to attract managed care organizations. This comes down to a basic issue of fairness because Medicare beneficiaries pay the same amount to participate in the program, but those in high-cost, high-utilization areas are able to access better benefits through managed care. It is improper that areas, such as west Michigan, that have worked hard to keep their medical costs low are then penalized with less adequate Medicare coverage. If we expect to help lower Medicare spending through the use of alternatives to fee-for-service coverage, we must ensure that managed care payments are developed in a fair manner.

I address the House today to commend west Michigan for the low-cost health care that its hospitals have developed. As we proceed with Medicare and other health are reform, I urge this body to take steps to ensure that we do not penalize low-cost areas, like west Michigan, as they try to develop alternatives to fee-for-service coverage.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

[Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

[Mr. JONES addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. COBURN] is recognized for 5 minutes.

[Mr. COBURN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. STOCKMAN] is recognized for 5 minutes.

[Mr. STOCKMAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Ms. ROS-LEHTINEN] is recognized for 5 minutes.

[Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. SHADEGG] is recognized for 5 minutes.

[Mr. SHADEGG addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DIAZ-BALART] is recognized for 5 minutes.

[Mr. DIAZ-BALART addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

[Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

TRIBUTE TO THE LATE HONORABLE HAMILTON FISH, JR.

The SPEAKER pro tempore. Under the Speaker's announced policy of May

12, 1995, the gentleman from New York [Mr. GILMAN] is recognized for 60 minutes as the designee of the majority leader.

Mr. GILMAN. Mr. Speaker, I would gladly have made any sacrifice to avoid having to stand before you today for this solemn purpose.

Before I make comments on this special order, I would like to note for our colleagues' information, that on Tuesday, July 30, 1996, at 10 a.m. at St. Albans Episcopal Church on the corner of Massachusetts and Wisconsin Avenue, there will be a memorial service for our distinguished colleague, Hamilton Fish.

The House Sergeant at Arms will provide bus transportation for Members, and buses will depart the east front of the Capitol at 9:15 a.m. and return to the Hill following the reception.

Mr. Speaker, the passing of Hamilton Fish, Jr., is a genuine shock which reverberated in this Chamber as well as back in our Hudson Valley region of New York. We knew that Ham was ill when he announced his retirement from this body only 2 years ago, but his intelligence, his helpfulness, his integrity, and his charm were so overpowering—right until the end—that it is virtually impossible to believe that he is no longer with us.

Ham Fish was born right here in Washington, DC 70 years ago last month. At the time of Ham's birth, his father, Hamilton Fish II, was serving in his fourth term in this Chamber. The senior Congressman Fish went on to serve until near the end of World War II, earning a nationwide reputation as a critic of the New Deal and as ranking minority member on the House International Relations Committee.

In fact, members of the Fish family, usually surnamed Hamilton, have served in the Congress, representing New York, since the earliest days of our Republic. One Hamilton Fish, after service in this body, went on to serve as a Senator and as Secretary of State in the Grant administration.

Our Hamilton, the one who shone so brightly in this Chamber during the last third of the 20th century, brought to this Chamber a heritage of public service nearly 200 years old.

Ham received his B.A. from Harvard, and his LL.B. from the New York University School of Law. In between, he committed himself to service with our Foreign Service, and as a member of the Naval Reserve. He was admitted to the New York Bar in 1958.

Ham Fish first sought election to the House in 1966. He narrowly lost to a popular incumbent, but 2 years later was victorious. In order to win that 1968 election, Ham first had to defeat a local district attorney in the Republican primary. The person Ham defeated was named G. Gordon Liddy, who later went to achieve notoriety in other ways. Today, Mr. Liddy is a nationally syndicated radio show host, and I understand that yesterday he devoted a portion of his show in an extremely gracious tribute to Ham Fish.

Since his first election to the House in 1968, Ham served on the House Judiciary Committee, which becomes his principal love. As a distinguished member of that committee, Ham became a champion of civil rights under the law, and human decency tempered with justice.

The entire Nation first learned of Ham's talents during the wrenching days of Watergate. As a member of the Judiciary Committee, Ham was one of the first Republicans to vote in favor of impeaching President Nixon, to the objection of many of his constituents including his own father. Ham, however, recognized that a government of laws had to have precedence over any individual or party loyalty. His belief in our constitutional system of government was absolute and he was willing to endure criticism and censure to stand up for it.

When Ham passed on earlier this week, the Poughkeepsie Journal, his hometown newspaper, asked Ethel Block, who was chairman of the Dutchess County Republican Party at the time of Watergate, to recall her recollection of Ham Fish's role at that time: ''I personally had such faith in him that after that vote [to impeach Nixon], I was sure that it must have been the right thing to do. It took a lot of backbone,'' Ms. Block noted.

Throughout the coming years, Ham's seniority on the Judiciary Committee grew, until he eventually became ranking Republican on that committee. However, Ham's contributions were legion even before he reached that pinnacle of leadership. He was one of the four original sponsors of the extension of the Voting Rights Act which were enacted into law in 1970, 1975, and 1982. Just as his father earned fame and glory as the champion of Afro-Americans during World War II, Ham earned recognition as their champion at a time when prejudice and racial hatred became much more subtle but just as insidious.

Ham fought discrimination in education by his authorship of the Civil Rights Restoration Act in 1988, requiring all operations in any entity receiving Federal funds to adhere to all anti-discrimination requirements contained in the major Civil Rights Acts of 1988. It was with courage that Ham Fish prodded the Congress into adopting this legislation; it was with even more courage that he led the successful battle to override the Presidential veto of it.

The Fair Housing Amendments Act of 1988, the Civil Rights Act of 1990, and perhaps most significantly of all the far-reaching Americans with Disabilities Act of 1990 are all legislative landmarks that are living monuments to Congressman Ham Fish.

Ham did not restrict his incredible energies to the work of his Judiciary Committee. Back at home, representing adjacent districts, Ham and I fought many battles together: the battle to try to keep the General Motors plant operating in Tarrytown; the battle for better commuter service on our Metro North rail lines; the fight to expand Stewart Airport and with it the economy of our region; the struggle on behalf of our apple growers and vegetable farmers; the continual fight to render our majestic Hudson River pollution free and pristine—there was no cause, no group, no constituent in which Ham Fish did not have a love and an abiding interest.

This week, the Poughkeepsie Journal chronicled memories of Ham from many of this neighbors: ''He was a very gentle man,'' said Michael Giordano. ''I just loved him. He was a sweetheart,'' said Betsy Abrams. ''He will be remembered by everyone in Dutchess County,'' said Richard Archer.

If Ham had sought election to a 14th term in Congress 2 years ago, there is no question his friends and neighbors would have reelected him. Had that happened, Ham would have become chairman of our House Judiciary Committee.

Ham was fully cognizant of that fact, but it did not distract him. Instead, he threw his considerable energies into the private practice of law here in Washington, with the prestigious firm of Mudge, Rose, Guthrie, Alexander, and Ferdon. Just a few weeks ago, he visited our International Relations Committee, and I was pleased to introduce him to our colleagues and to the many guests in attendance at our hearing. Ham was as alert and as welcome as ever.

Ham Fish is the father of three sons, Hamilton III, Nicholas Stuyvesant, and Peter Livingston, and of one daughter, Alexa Fish Ward. He also leaves behind eight grandchildren.

Ham's first wife, the mother of his children, was Julia Fish. Julia was killed in a tragic automobile accident during his first year as a Congressman. Later, Ham married Billy Lester Cline, a vivacious person who died of a brain tumor in 1985.

Ham's widow, who so many of us know so well, is Mary Ann Tinklepaugh Knauss, who in her own right is one of the premier activists here in Washington. Currently, Mary Ann serves as an assistant to New York Gov. George Pataki here in his Washington offices.

To the entire Fish family, we extend our sincerest condolences. We know that their grief is great, but perhaps they will receive some consolation from the realization that so many of us share their loss.

We also extend our condolences to the people who Ham Fish represented so superbly for over a quarter of a century. Each and every one of them is well aware, as we all are, that a giant in public service has now departed from their midst, and that the world is a far better place thanks to the dedication of Ham Fish, Jr.

I thank our colleagues who have joined us in this special order.

Mr. Speaker, I am pleased to recognize the dean of our New York delegation, the gentleman from New York, CHARLES RANGEL.

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

Mr. RANGEL. Mr. Speaker, I want to thank my friend, BEN GILMAN, for getting this time for the New York delegation.

A few minutes ago one of the Members on the floor asked, is this only for New York Members? And I did not give a full answer, but, no, Hamilton Fish and his memory will never be just for New York Members or Members of this Congress, because I think when you see where we are today and where we were 2 or 4 years ago, most everybody that was here would say, do you remember the old days of civility, of tolerance, of mutual respect? How we could disagree, and yet have respect for each other?

And I am reminded that throughout the rules which govern us in this body, interlaced throughout them are words, such as ''yielding to the gentleman,'' kind and gentle words that allow us to protect the interests of our constituents, and, at the same time, to have this place be one that we respect, and would want not only our constituents to respect us, but history would do it.

And who really epitomizes that? We have had a lot of people, Tip O'Neill, Silvio Conte, Chairman Natcher, and even Bob Michel, who fought for the beliefs of his party. Yet, when you think about a person that, no matter what the issue was, Hamilton Fish was not only a gentleman, but he had really the type of class, because he came from class. His grandfather was Governor and Senator and Secretary of State. His dad, who I knew before Hamilton, was not only a member of this body for 24 years, but how would I know him so well was because after serving in Korea, the only veteran's organization that seemed to want a Korean veteran was the 369th African-American Veterans Association, and I had to learn about the history of that group.

It turns out that the 15th Regiment, which later became the 369th Regiment, were groups of African-Americans who wanted to serve in World War I and were denied the opportunity. They could not enlist to fight for their country. So what did they do? They marched all up and down in my district on Lenox Avenue with broomsticks, training each other, hoping that America would change its mind and allow them to defend the free world.

□ 1815

Eventually they won out and they were trained and they were sent to Europe. And there were some protests among the white soldiers. But the captain of that 369th pulled out his gun and told the white soldiers that were protesting the presence of these African-Americans in the 369th that to defend his country he had to defend his regiment, and he cocked his pistol and said, if you touch one of these soldiers I will kill you dead.

That person was Capt. Hamilton Fish, the father of the person that we served with. He took them to Europe and they came back to America as the most decorated unit that served in the entire World War II. And there was not a parade that the 369th veterans ever had, until the time that Hamilton Fish's dad died, that he was not at that parade.

When I met his son, I felt as though I knew him because his dad accepted me and the things I believed in because of our military background but was always critical of his liberal son Hamilton.

So, then, Hamilton and I go on to the Judiciary Committee, where we found a voice there that was not only there to weigh the facts, to see whether or not they were so serious that we should even think about impeachment, but he was a mediator, a conciliator, one that brought Democrats and Republicans together, not just for the TV cameras, but to sit down, to weigh the evidence and to see whether it made any sense not to impeach or not to impeach but to better understand how important this was for the integrity of our great Nation and to make certain that Chairman Rodino would not have to make anything that looked partisan because he was there to work it out.

The funniest thing in the world was seeing Hamilton Fish working out problems and his dad having a press conference saying he should not even be thinking about impeaching the President. Is that not what makes America great? And it was.

I hope that in memory of our dear friend that maybe when we are tempted to be angry with each other, maybe when we are tempted to say the things that we all regret after we say them, that we can wonder what Hamilton would want us to do no matter how angry and how many differences we had about reaching that common goal.

And so we all lose a dear friend, but I lose someone that is a part of a very, very long tradition. He is a part of the history of the House of Representatives, and he served us so well that we can all know in the State of New York that nobody from any other State could possibly do better in presenting what a Congressperson should be.

In his memory I will try to be a more compassionate, a better understanding person, because it is not our individual beliefs that count, it is how do we look as a body that represents not just our districts but the United States of America. He was in New York and we are proud, but he was first an American.

Mr. GILMAN. I thank the gentleman from New York [Mr. RANGEL] for his moving words.

I am pleased to recognize the gentleman from New York, our distinguished chairman of our House Committee on Rules, Mr. SOLOMON.

Mr. SOLOMON. Mr. Speaker, I thank Chairman GILMAN for taking this special order to pay tribute to not only a great Congressman, a great American, but really a great friend of all of ours.

Ham Fish, Jr. It seems like only yesterday, although it was 18 years ago, that I walked onto this floor as a newly elected Member of Congress and there were 35 Members from New York State back in those days, before reapportionment cost us all of our seats and now we are down to 32, I guess. But the only two left after the passing of Ham Fish, is you, Mr. Chairman, and CHARLIE RANGEL over there.

It seems like this young pup now is the third ranking member of our delegation. That does not seem possible, but I recall it because I can recall how proud Ham Fish was at the last delegation meeting that he presided over. He pointed out back in those days when Frank Horton was here, and Frank Horton was the chairman of a very important committee. I beg your pardon, he was the ranking member of a very important committee, along with Norman Lent, who was ranking on Commerce, and BEN GILMAN, you were ranking on Foreign Affairs, and myself ranking on Rules, and the 5 members of the New York delegation were the ranking members on 5 of the 13 committees.

That was really something that Ham was proud of back in those days. It just makes you think of the difference between Ham Fish and perhaps the rest of us.

I look over here and I see the gentleman from Louisiana, BOB LIVINGSTON, and he is the chairman of the Committee on Appropriations, and he has a reputation like JERRY SOLOMON of sometimes being a little excitable perhaps; but I can remember how many times when I had a tendency to be excitable and Ham would walk up and we would sit down in the back of the Chamber and it would just rub off, that calmness that that man exuded. It was something that you had to really look at in him and respect.

Mr. GILMAN said so much here, I am going to be brief because we do have an awful lot of Members here that are coming on the floor and want to talk, but Ham Fish really was the quintessential family man and I believe one of the most devout public servants that ever served in this body and certainly in the Hudson Valley that you and I and some of the others here have the privilege of representing. To me, Ham Fish was not just a Congressman, he was a mentor of mine and he taught us all so much.

He was just a great friend and it was truly an honor and privilege to have served with him representing the Hudson Valley. Ham's good nature was just renowned throughout this Congress.

I even see some former Members of Congress from New York sitting over here, and, BOB, you remember too from

both sides of the aisle. He just embodied what it means to be a representative of democracy and he will undoubtedly be remembered as a true gentleman of this House, and what better respect can you say of a person than that.

We will miss him dearly. Our deepest sympathies go out to his wife Mary Ann, his entire family and, Ham, we just wish you the best, good friend.

Mr. GILMAN. Thank you, JERRY SOLOMON, for your kind remarks on behalf of Hamilton Fish.

I am pleased to now recognize the gentleman from New York [Mr. MANTON].

Mr. MANTON. Mr. Speaker, I thank the gentleman for setting up this special order.

Mr. Speaker, I rise today to pay tribute to a dear departed friend and colleague, Hamilton Fish, Jr. It was a true honor to serve with Ham fish as a fellow New York delegation member. His presence in the House has been dearly missed over the past 2 years and he will continue to be missed both in Washington and in the Hudson Valley, which he proudly represented in Congress.

Hamilton Fish, following a 150-year-old family tradition of congressional service, was a most conscientious and thoughtful legislator. He was naturally gifted at working with colleagues on both sides of the aisle to reach bipartisan agreements that resulted in legislation benefiting all of us today.

As an ardent advocate of civil and human rights, he worked diligently to pass legislation such as the 1982 Voting Rights Act extension, the Fair Housing Act of 1988, and the Americans with Disabilities Act of 1990. His hard work was also instrumental in passing the Civil Rights Act of 1991 that provides women and minorities with monetary damages when discriminated against in the workplace. His commitment to New York and this country was exceptional and his accomplishments beyond number. Ham Fish was also a champion for freedom and human rights in Ireland. I am honored to follow in his path as a cochair of the Ad Hoc Committee for Irish Affairs.

Mr. Speaker, I am most thankful that Ham Fish graced the halls of this House. His integrity and credibility was widely recognized and earned him respect and admiration from all of his colleagues.

I would like to send my condolences to Mary Ann and all of the Fish family. My thoughts and prayers are with you at this most difficult time.

Mr. GILMAN. I thank the gentleman from New York, Mr. MANTON, for his kind remarks, and I am pleased to yield at this time to the gentlewoman from New York, Congresswoman SUE KELLY, who succeeded Hamilton Fish, representing that district in New York.

Mrs. KELLY. Mr. Speaker, we were all deeply saddened by the passing of our friend, and a distinguished Member of this institution, Hamilton Fish. Ham served in Congress for 26 years, representing the same congressional district from the Hudson Valley of New York that I have the honor of representing today.

Each of us has our own personal memories of Ham Fish. My husband and I remember Ham as a good friend with a wonderful sense of humor. We also remember him as a public servant devoted to the well-being of the people of the Hudson Valley in New York.

In fact, the term ''public service'' was at the core of Hamilton Fish's life. He served in the Navy during World War II. After the war, Ham attended the Harvard Graduate School of Public Administration, and then joined the U.S. Foreign Service. In the early fifties he was posted to Dublin, Ireland. He really loved Ireland. He talked about it often.

Following this stint, he earned his law degree from New York University in 1957, and practiced law in the city and in Dutchess County, NY until he became a Member of Congress in 1968. I first met him 2 years before he was redistricted into my area.

I set up and worked in his first office in Westchester County and my husband and I worked to back him for the next 24 years. As a matter of fact, my staff card for Hamilton Fish's office expired 20 years to the day I was sworn into Congress. My husband and I have been priviledged to know first three, and now four, generations of this Hamilton Fish family. They have represented the gentility of the Hudson River Valley. Ham was a gentleman's gentleman. His behavior on the floor of the House set a standard many of the Members of this Congress would do well to emulate.

His career was marked by accomplishments in the areas of civil rights, the environment, crime, the handicapped, and business regulation. Ham was a strong supporter of the Legal Services Corporation because he recognized and prized the important role LSC plays in providing legal assistance to those who otherwise could not afford it.

The 1990 Civil Rights Act and the Americans With Disabilities Act represent hallmark achievements and will stand as lasting legacies to the memory of Hamilton Fish.

To know Hamilton Fish, Mr. Speaker, was to know someone dedicated to truth and the dignity of public service. This institution is too often criticized for its problems, the partisanship, the lack of comity, and the arduous process that is the people's business.

Unfortunately, it is seldom judged by the virtues of its individual Members. Ham Fish carried out his work with dignity and respect, and represented the very best of this institution.

Mr. Speaker, we will miss Ham. My thoughts and prayers go out to his wife, Mary Ann, and his children, Alexa Ward, Hamilton, Nicholas Stuyvesant, and Peter Livingston, and his eight grandchildren.

Mr. GILMAN. I thank Congresswoman KELLY for her moving remarks.

I would be pleased to yield to the gentleman from New York, Congressman MAURICE HINCHEY.

Mr. HINCHEY. Mr. Speaker, I thank our friend, the gentleman from New York [Mr. GILMAN], the distinguished chairman of the Committee on International Relations, for arranging this tribute to our friend, Hamilton Fish, Jr.

Mr. Speaker, it was with deep sorrow that we received the news that the Nation and New York have lost one of its great men, Hamilton Fish, Jr. Ham stood for what was best in this institution and what is best about our system of government. He was the kind of person that Jefferson and Madison had in mind when they wrote the Constitution, the kind of person they wanted and expected to serve in the legislature they were creating. They wanted the seats in this Chamber to be occupied by people who took their responsibilities more seriously than they took themselves, people of judgment, people of substance. Ham was above all a thoughtful, judicious person, a man of integrity. This institution already misses his wisdom.

Ham was known and respected for his independence. He was still a relatively junior Member of Congress when he gained national recognition for his committee vote to recommend impeachment of President Nixon. He will always be remembered for that vote, for his decision to apply his high standards of integrity impartially, even when he must have been under great pressure to do otherwise. But it would be a mistake to take that one vote as the measure of his independence or of his career. Ham was proud to be called a loyal Republican, but he knew that loyalty does not mean surrender of one's own judgment and temperament. Much of what Ham accomplished was done quietly, behind the scenes, in his conversations and discussions with his colleagues on both sides of the aisle. He believed that he served his party best when he served the country best, and that he served the country best by bringing the best of his own mind and heart to every issue he addressed.

There have been Hamilton Fishes in Congress since our republic was young. His family was one of the most celebrated and distinguished families in the Hudson Valley of New York, which is also my home, and they have made their mark. One of his forebears served as President Grant's Secretary of State. His father was famous for his staunch opposition to the New Deal. Another forebear was known as an arbiter of New York society, an aristocrat among aristocrats. I know some people thought of Ham that way. His bearing, his manners, even his height marked him as a distinguished person, someone who literally stood head and shoulders above the rest. Ham had all the good characteristics we associate with aristocrats like Lincoln and Jefferson. But like them, he believed in

all the people, and did not set himself above anyone. He brought people up to his level by treating them as if they had always been there.

For many years, he served as the ranking member of the House Subcommittee on Immigration. To some people, this seemed incongruous, perhaps even threatening. Here was a man whose ancestors had settled in long before the Revolution making policy on immigration. But perhaps it was this perspective that let him understand just how much America is an immigrant Nation, and how much immigrants continue to contribute. Despite the traditional hostility between the Irish and the English, Ham was probably honored and loved by more Irish groups back in the Hudson Valley than any of us who can trace our ancestry back to Ireland. Some of my friends up there still wonder if he had some hidden connection or relation to Ireland, to Italy, or to Poland, since he was so fair and generous to their people. I don't think he did—but any of them would have been honored if they could count him as one of their sons.

Ham and I both represented parts of the Hudson Valley for many years, most of my time in the State Assembly, most of his time in Congress. Our mutual love of the valley brought us together many times. Ham could always be counted on to support any effort to protect the valley's beauty, grace, and charm, and to advance the welfare of its citizens. It was Ham Fish who wrote the legislation preserving Eleanor Roosevelt's home at Hyde Park as a national historic site, although his father could not bear to hear her name. I hope that his actions, his spirit, and above all his character will long be remembered in our valley, and I hope they will be remembered too here in Congress. If his spirit serves as an example to us, perhaps it can raise all of us to his towering height.

I extend my condolences to his widow, Mary Ann, and his children.

□ 1830

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York [Mr. HINCHEY] for his kind words.

Mr. Speaker, I am pleased to recognize the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations, who I understand is a relation of Mr. Fish.

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

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN], my friend, for yielding me this time, and I thank him for taking out the time to pay tribute to a great American, Hamilton Fish, Jr.

Mr. Speaker, I am very, very pleased to rise along with all of the members of the New York delegation who have spoken, and I think it is testament to the character of Ham Fish, Jr., that he has had such a strong bipartisan show of support for his memory.

Indeed, we are distant cousins. I cannot help but remember how gracious and charming he was when I came to Congress 19 years ago. He opened his heart to me, and showed me the ropes as a freshman Congressman, and helped guide me throughout the processes in my early days as I stumbled along and tried to learn about this intricate place.

I am proud to rise on his behalf because Ham Fish, Jr., emulated what I believe to be all that is good and fine about public service.

Ham Fish, Jr., was not the only one in his family to serve as has been indicated before. There has been a Fish in the country's history going back to its origin. Ham's great grandfather served as Governor of New York, U.S. Senator, and Secretary of State. His grandfather served in the House of Representatives. His father served in the House of Representatives for over 20 years and earned a name for himself as a strong opponent of the New Deal and an outspoken proponent of the free enterprise system.

But Ham, Jr., in his own 26 years on behalf of New York's 21st District throughout the Hudson Valley, placed his mark on American history as well.

As was indicated, he was the picture of civility, integrity, gentlemanly cordiality, and he was steadfast in his belief in the institution of Congress and in the worthiness of his service in the U.S. House of Representatives.

As a Member and ultimately ranking minority member of the Judiciary Committee, Ham Fish, Jr., was a champion of civil rights and social justice, and he believed in the fiscal integrity of this Nation as well.

He was a strong proponent of the line-item veto and the balanced budget. But of all of those activities and the others that have been discussed here this evening, Ham will be remembered because he was a warm and gracious and friendly person.

Mr. Speaker, I appreciate his assistance and his guidance throughout the time that I was privileged to serve with him. We affectionately knew each other and called each other ''Cousin'' rather than by our proper names. We engaged in special orders from time to time to commemorate his heritage and forebears in the Congress, and it was my privilege to call him my friend.

To Mary Ann and to his children and to all of his family, my wife Bonnie joins with me in extending our prayers and our best wishes to the memory of a fine and wonderful American.

Mr. GILMAN. Mr. Speaker, I thank Chairman LIVINGSTON for his kind remarks. I am pleased to yield to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, tonight we gather to mourn the loss and celebrate the life of Congressman Hamilton Fish, Jr. Hamilton Fish was one of the kindest, elegant, finest Members with whom I have had the pleasure of working with in this House.

I had the good fortune of working with Ham for 6 of the 26 years that he spent in Congress, and during that time I came to appreciate the fact that Ham was not only deeply concerned and involved with local issues, he certainly can be considered one of the most expert Members in policy.

Ham served as the Ranking Republican on the Committee on the Judiciary and Immigration Subcommittee. More important, Ham was a moderate and a fair man who could work with Members on both sides of the aisle and rise above partisan politics to achieve the goals of the American people.

Hamilton Fish was part of a true political dynasty in New York's Hudson Valley, a dynasty as old as the republic itself. It is from Nicholas Fish, who fought in the American Revolution and mounted an unsuccessful campaign for Congress, to Ham's great grandfather who ran as a Whig in 1842, to Hamilton Jr., who served his country honorably in the Navy during World War II and in the House of Representatives for 26 years, from 1969 to 1994.

Although there were times when his congressional district was more conservative than he was, Ham never strayed from his moderate, fair ideals. Despite the fact that his father, Hamilton Sr., was an isolationist, Ham was an advocate for human rights issues and refugees worldwide. He worked tirelessly during the cold war to allow for Soviet Jews to enter the United States. During the 1970's, Ham was an outspoken critic of the Nixon administration and its involvement in the Vietnam war. As a member of the Committee on the Judiciary, Ham was one of the first members of his party to call for President Nixon's resignation.

Ham also had an exemplary record on civil rights issues. Ham fervently supported the 1978 extension of the equal rights amendment and the 1982 Voting Rights Act. He also supported the Americans with Disabilities Act of 1990 and the Civil Rights Act of 1991.

As Ralph Neas, the former director of the Leadership Conference on Civil Rights said, ''Many of the almost two dozen civil rights bills passed in the 1980's would not have become law without him.''

Mr. Speaker, I, too, would like to extend my deepest sympathies and condolences to the Fish family. While this country has lost a great civil leader, his wife, Mary Ann, has lost a dear, devoted husband, his children, Ham, Nick, Peter, and Alexa, have lost a father, and of course his eight grandchildren have lost a friend and a role model.

As a freshman Member of Congress in 1988, I learned from Ham Fish. This Congress would do well to heed his legacy. He was a leader, a colleague, and a friend. He will be sorely missed.

Mr. GILMAN. Mr. Speaker, I thank Ms. LOWEY for her kind statement, and I am pleased to yield to the gentleman from new York, Mr. LAFALCE.

Mr. LAFALCE. Mr. Speaker, I rise today to join with my colleagues in

paying tribute to our late colleague, Hamilton Fish, Jr. As the fourth generation from his famous family to serve in Congress, Ham could easily have acted as if he were entitled to his position, as if he were born to it, but that was the exact opposite of the way he was.

Ham Fish was as down to Earth and genuine as anyone I have ever known. Most important, Ham Fish was indeed a gentleman. One word. And a very gentle man.

He could, and did, hold his own in the rough and tumble of politics, but he would not hurt a soul. He must have had as a tenet: Hurt no one. Embarrass no one. Be kind and gentle to everyone. Because that is the way Ham Fish was, day in and day out. He epitomized what every person should strive to be.

He also epitomized what every legislator should strive to be: A fervent advocate for his point of view, yet someone always willing to see the other side and always understanding of the necessity to compromise for the greater good.

One got the clear sense that when Ham looked at someone he did not see labels like Republican or Democrat, liberal or conservative. Ham saw a fellow human being, someone who deserved to be heard, regardless of ideology, regardless of any other arbitrary classification. And that perhaps was his true hallmark. That arbitrary classifications were not only not smart, but that they were and are dehumanizing.

Mr. Speaker, I join in praising the record of service that Hamilton Fish gave to his fellow Americans. I, too, extend my sympathies to his wife and his entire family.

In the long run, Ham will be remembered for his hard work, yes. But even more than that, I will remember Ham for his grace, his kindness, his gentleness, his wisdom, his tolerance, and his love for his fellow human beings. And there can be no greater role model and no greater legacy than that.

Mr. GILMAN. I thank Congressman LAFALCE for his kind remarks.

Mr. Speaker, I am pleased to yield to the gentleman from western New York [Mr. HOUGHTON].

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

Mr. HOUGHTON. Mr. Speaker, I would say to the gentleman from New York, Mr. GILMAN, as I was listening to Mr. LAFALCE and others, it really is too bad that you cannot hear what other people really feel about you while you are alive. I do not know whether Ham is listening or whether he can listen, or that is possible in the overall scheme of things, but it is a wonderful tribute to hear people from different walks of life, different associations say what they have about him.

I just would like to say a few things. There is an old Arab proverb that says, A word when spoken must pass three gates. The first gate is, ''Is it true?'' The second gate is, ''Is it necessary?''

□ 1845

The third gate is, ''is it kind?'' Many of us here would not get out of the first gate, but Ham always would. He passed all those gates in whatever he did. He hit the issues hard, and yet there was an old expression from Proverbs, a soft answer turns away wrath. We need more of it here. He exemplified that.

I go back a long way with Ham. It started in 1946, when we both got out of the service in World War II, went to college and then periodically kept our friendship going during the years.

I was always in awe of Ham's heritage. It did not seem to be anybody that had a greater heritage than Ham, but Mary Ann Fish, his lovely wife, told me a story the other day of Ham going into the Rotunda and pointing to one of the murals and pointing out that Nicholas Fish was standing beside George Washington as he received the surrender from Cornwallis. And this man was very polite and he said, thank you very much, Mr. Fish.

He said, on the other hand, there was a mural of Dutch settlers coming across and landing in New Amsterdam, and my ancestor was the minister at that time; of course, a full 100 years before Nicholas Fish ever appeared in Yorktown. And he was always being poked with fun for things like this, but had a delightful, easy, wonderful sense of humor.

We develop many friendships down here. Some are political. Some are personal. Some are diplomatic. Some are business. Yet at the same time, as you work through this place, you understand those people who have that special quality that you know they will not betray you if you are vulnerable. Ham was one of those people.

There are questions which we always ask ourselves: What do I believe; what do I stand for; what do I really want. Ham never used that. He always changed the ''I'' to a ''we.'' What do we believe; what do we stand for; what do we really want. If anybody epitomized service over self-service, it was Hamilton Fish and we are going to miss him.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for those moving comments, Mr. HOUGHTON.

I yield to the gentlewoman from North Carolina Mrs. EVA CLAYTON.

Mrs. CLAYTON. Mr. Speaker, I want to thank the gentleman and the delegation from New York for allowing me, from North Carolina, to say a word of tribute to all of our friends and colleague, Hamilton Fish. My husband and I both, too, knew Hamilton Fish. We knew him in a personal way.

I am a new Member to Congress so I do not have that long lineage of getting to know someone, but I did know him in a personal way. He did indeed have fun. So I want to tell you that although he was a gentleman and a scholar, he was also a person who could relate to human beings.

My husband and he had a certain passion for certain fun and they had a certain memory that they would remember. His wife, who is probably known as a vivacious, caring person, is certainly one that I have gotten to know and we had occasion, I guess just 2 months ago, for us all meeting together. So this week this Congress, New York will miss him, but America will miss him because in many ways he was not only the ideal person from New York, but he also was the ideal Congressperson for America.

We all will not only lose a friend but lose someone who has been epitomized as being an idol and a symbol.

Mr. Speaker, this week, Congress and America suffered a sad and great loss.

Former Representative Hamilton Fish, Jr. passed and has left a deep void in our reservoir of decency and fair play.

This devoted husband, caring father and loving grandfather served the people of the 19th District of New York for more than a quarter of a century. But, he provided more than service to New York's citizens.

Hamilton Fish, Jr. provided a high standard of statesmanship, an unparalleled measure of respectability and dignity, an unprecedented display of nonpartisan cooperation.

Those of us who serve in this 104th Congress can learn much from Hamilton Fish, the manner in which he lived his life, the honor he brought to this institution, the distinction with which he served his party.

His ability to function as a gentleman in the sometimes murky and perilous waters of politics must be attributed in part to the deep roots of his ancestors which guided him and gave him important benchmarks. This son of New York was always up for the challenge, always prepared for the task.

Throughout his life, he refused to accept mediocrity. He had hopes and dreams, he had goals, he had vision, and he dared to be different and determined to make a difference.

In Congress, he distinguished himself, making his mark in many places, leaving his permanent imprint on the sands of time.

He supported civil rights, fought for justice, stood for equality and was unwavering in behalf of the principles that make this Nation great.

Tirelessly, he was a role model for role models, a leader among leaders and a champion for all.

In this august body, he was more than a Member of Congress. He was Congress.

He leaves us now, not to quit, but to fight another fight, to write another chapter, to run another race.

To his darling wife, Mary Ann, who I consider to be my friend, to his three sons, Hamilton III, Nicholas, and Peter, to his daughter, Alexa, and to his many grandchildren, I say hold fast to the fond memories, stay strong on the wings of tradition Hamilton provided and celebrate the legacy he has left through the life he lived.

Mr. GILMAN. Mr. Speaker, I yield to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Speaker, I guess, like Congresswoman CLAYTON, I remember my friend as a little bit of a prankster, someone with a sense of humor who would joke, a man who certainly had dignity and guts, who showed independence and brilliance, but also was not beyond whispering something very funny in your ear as you went down the aisle.

As it turned out, I met Ham Fish not 15 or 20 years ago but only 4 years ago now when I was beginning my first term in Congress. He was finishing up what would end up being his last term in Congress. But almost immediately, he and I struck out together for what might be an unlikely duo, sort of an odd couple, to hang out in the back of this Chamber, talk a little bit, see each other once in a while, what were very civilized and very social New York State delegation meetings.

I remember him enjoying his sundae ice cream with complete relish on his face as the desserts were offered. I remember him in flashes of both frustration and annoyance at things that we did in this body, a sense of defiance when he thought we were going down the wrong path out of political expediency.

Ham Fish was somebody who had the ability to have a sense of honor and a sense of humor. He was able to mix both with a good old Yankee pragmatism, and I think he represents the very best traditions of the Republican Party and of this Chamber.

He was a man of great courage who always kept his bearings. During my freshman term, I always thought that he was protective of me. He was the sort of generous person who always took time out to help a new Member, sit down and discuss things if you had a question, and I will always cherish the wisdom that he was able to share with me.

As my colleagues know and they have been talking about tonight, Ham Fish came from a remarkable American political family historical not just from a New York perspective but from a national perspective, a family whose record of public service can be traced back to the beginnings of our Nation.

In Congress Ham Fish himself was something of a tradition. He was a centrist who got things done. He liked to work together with people. He played a key role in forging compromises that resulted in important legislation like the Fair Housing Act of 1988, the Americans with Disabilities Act of 1990 and the Civil Rights Act of 1991.

As a House Committee on the Judiciary member, not just a member but as the ranking member, he showed great courage back in the 1970's by voting his conscience as one of the few Republicans who voted for the articles of impeachment against former President Richard Nixon.

As the ranking member Republican on the Committee on the Judiciary, Ham always was a strong advocate for causes that he deeply believed in, the sense of civil rights, the sense of right over wrong.

He was particularly remembered for his efforts in support of not just civil rights but environmental protection.

With Ham's passing, our Nation has lost a great American. My condolences and the condolences of my wife Patricia go to his wife, Mary Ann, and to his sons Nicholas, Peter, and Ham Fish III and his daughter Alexa Fish Ward and their eight grandchildren, all of which I know he loved deeply. We have lost a great friend.

Mr. GILMAN. Mr. Speaker, I yield to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding.

I thank him and his colleagues from New York, Mr. RANGEL and Mr. GILMAN, for having this special order to allow us to pour out our hearts to somebody that we dearly love. I firmly believe that those of us who serve in this body are diminished as well as the American public are diminished by the loss of Ham Fish, Jr. He was fourth generation in terms of serving this great country in Congress 26 years.

I learned about Ham Fish when I was involved in the campaign of a man who served with him in the early years, Charles Mac Mathias, who then went on to the U.S. Senate. To me Ham Fish himself was a tradition. When I was elected to serve in the 100th Congress starting in 1987, I turned to Ham and told him that I knew so much about him and looked forward to serving with him. Well, he smiled in his very warm way, recognizing I had a lot to learn.

I did find that Ham Fish was a role model. He was always very upbeat. There might be times that I would come into this Chamber and go over to him despondent about some issue that was coming up or perplexed about a vote that needed to be cast. He was always assuage one in terms of recognizing what truly are the priorities, and the priorities, I think, for him were really human contact.

I found him somebody who could make us see what was really important, who had a very warm sense of humor, somebody who became a hero because he deserved it in the areas of civil rights, human rights, fair housing, employment discrimination alleviation, caring about minorities, caring about women, having a streak of effective independence. We could always rely on Ham to do that. Very often I did converse with him about the issues that we had to decide because I looked on him as somebody who was a real role model and one who would lead me correctly in the right way.

So Ham Fish will be missed. I got to know Ham and his wife Mary Ann personally. My husband and I traveled with them. We always appreciated his warm sense of humor, his understanding of human foibles. And with Mary Ann, her sense of love of life, the fact that she laughed a lot, and Ham helped her to laugh a lot. He was also someone who received the benefit of that sense of humor, a man who had great courage.

Mr. Speaker, I remember we were at a conference in Madrid where we had a few hours off. This is when Ham was not well. We would go to an art gallery, and he was indeed a true collector of art and an appreciator of art. I thought at that time this man of great courage also has made politics into an art and has done it exceedingly well.

I just want to say that we will certainly miss Ham Fish, and he will live on in love. I am reminded of a quote from Thornton Wilder, who said: ''There is a land of the living and a land of the dead; and the bridge is love, the only survival and the only meaning.''

Tony and I extend to Mary Ann and to the family of Ham Fish our deepest condolences.

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman, Congresswoman MORELLA, for her kind remarks.

I yield to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I got to know Ham Fish when I joined the House and became a member of the Committee on the Judiciary where he was then a senior Republican. Later he became the ranking Republican.

Mr. Speaker, I want to talk a little bit about some of the things he so exemplified that are less in fashion than they used to be. You will look very hard to find a politician who worked as hard for people unlikely to vote for him in return. In the first place Ham Fish was a champion of a decent policy protecting the human rights of people all around the world. Ham Fish spent an awful lot of time on people who were never going to be able to vote for him, were never going to be able to vote at all in the United States.

He was a man who became an expert in the intricacies of immigration law so that he could give full vent to his burning desire to help people live in freedom. I say burning desire because Ham's quiet, relaxed demeanor may have fooled people.

□ 1900

One of the things we can learn from him is that being civil and being thoughtful in no way rules out being passionate. This was a man of great passion on behalf of human rights, and he exerted a good deal of his own influence and his own resource of time and energy on people all over this world.

Immigrants are not the most popular people these days, and people who live in other countries are not the most popular people in America. I wish the spirit of Ham Fish informed this place a little bit more today when it came to recognizing that we, with the great blessing of living in this wonderful free country have some obligation to help people elsewhere.

Similarly Ham, hardly from a district where civil rights in the traditional sense was a burning constituency issue for him, was a consistent defender of legislation that said America has an obligation to end discrimination, to do what we can as a Federal Government to reach into those pockets that unfortunately persist of racism and of sexual discrimination. He was a consistent and staunch defender.

I must tell you as we have debated affirmative action in these past couple of years that I missed Ham Fish because I believe that the voice and the commitment and the passion he showed on behalf of fairness would have served us very, very well.

I also want to talk about Ham Fish as a legislator, a longtime legislator. He was here for what, 26 years. I guess the term-limits people think that is a terrible thing. People who think we should have term limits regret the fact that a man like him was here for 26 years, not for lack of anything else to do, not as a careerist, but as a man who had a passion which could best be satisfied by helping other people and who got better at it and better at it and who was a superb legislator who understood.

And sometimes people defend moderation and give it a bad name because moderation gets defended sometimes as a kind of mindlessness, as if the middle was the place to be, as if by definition, as if the arithmetic means was always the right place. Ham Fish was moderate in his approach, and, yes, he was a great legislator, and he could compromise and bring people together, but it is because he started from somewhere. He did not walk out and say, ''OK, what's the middle of this issue and how can I be a big hero by talking about what a middle-of-the-roader I am?'' He had passionate and firm convictions on immigration, on racial justice, on other areas. He understood how to legislate, and that is a talent unfortunately scorned these days in many quarters rather than celebrated.

So I consider this country to have been enormously enriched by Ham Fish's service on the judiciary committee as a senior Republican, a man who, as we know, was not always in accord with his party on all issues but who understood the importance of party in this country and showed, I think, how you could both be loyal to your party and independent on issues of principle when that was important.

And finally, let us talk about family values. I think he exemplified that at its best too in a 2-generation way. He had fundamental disagreements with his own father. He was in Congress a few years and had his own father, a man of very, very strong convictions. Yes, his father opposed the New Deal, he also opposed American participation in World War II, and he took out ads criticizing his son when his son voted for impeachment, and Ham Fish, the Congressman, never let that interfere with the loving relationship with his father, his ability obviously to differ strongly with his father on these issues and maintain the loving relationship that was there.

And I was privileged to see that duplicated in Ham's own response to his own children. I knew his son, Ham. I was particularly friendly and had been with his son, Nick, and I send my condolences to them, and both of Ham's sons became Democrats and had differences with him, and they maintained with Ham the same kind of loving relationship in which strong personal affection coexisted with deep political differences that Ham had showed with his father, and that ability to do that is something all of us would benefit from.

So he is a man who enriched our lives in a lot of ways, and, like everybody else here, I miss him a lot.

Mr. GILMAN. I thank the gentleman from Massachusetts, Congressman BARNEY FRANK, for his moving remarks.

CONTINUATION OF TRIBUTE TO HAMILTON FISH

The SPEAKER pro tempore (Mr. CAMPBELL). The time of the gentleman from New York under the majority leader's designated time has expired, and so under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. RANGEL] will be recognized for the first portion of that time designated by the minority leader.

Mr. RANGEL. I thank the Chair, and I yield to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, I think each one of us in our own way and perhaps sometimes differently have seen one of the basic qualities of Ham Fish, a beloved Member of this House, and that is that he was a gentleman. He was a warm and wise man. He was compassionate. He not only cared about mankind, he also cared about his neighbors and his friends. He was decent, effective, and quiet spoken. And as many know in this Chamber, some of our most effective legislators are quiet spoken and work behind the scenes to bring people together and to build a consensus.

Ham Fish had an engaging smile, and what you saw was what he was. He was not a phony. He was a person that was interested in people.

And how I came to know him as a newcomer to this Chamber in 1993 was because my mother had been a devoted follower of his father. And like his differences with his father on foreign policy, I had those differences in my own family. His father was one of the great isolationists of the 1930's. My mother who had been an active seeker of world peace was a devoted isolationist, and she and Hamilton Fish's father used to exchange letters on occasion, and as most of us know, his father was going strong at 100.

Ham Fish was part of an American political dynasty. Allen Nevins wrote a prize winning book on his great-grandfather, who served as Secretary of State under President Ulysses Simpson Grant. He was of our great Secretaries of State. Ham's family was grounded in public service. They devoted their lives to helping America through various crises. Sometimes they might have been wrong in the ultimate judgment of who had the right policy or the wrong policy at a given time, but they never wavered in terms of their courage and their dedication.

When Judiciary Ranking Minority Member Hamilton Fish criticized the treatment of the minority by the then-majority during the formulation of the 1994 crime bill, he did not do it with rancor. He just laid it out in simple English and in simple declarative sentences. That is why we respected him. He was honest, to the point, and straightforward.

He was a gentleman who was also a Republican. His father had been a Progressive and a Republican. His grandfather was a Republican. His great-grandfather had been a Whig and then a Republican. Those four spanned the century and a half of our two-party system. They saw the evolution of the two-party system. They contributed ideas and vigor to that two-party system.

And to MaryAnn, the children, and the grandchildren: All of us will remember the wonderful things Ham did as a friend and as a Member of this Chamber. He consistently did the right thing. We honor him for that and we honor him for being a dedicated, warm human being.

Mr. RANGEL. Thank you so much for that statement. I recognize the gentleman from Connecticut.

Mr. SHAYS. Mr. Speaker, I thank the gentleman from New York for yielding, and I thank both of my colleagues from New York, Mr. GILMAN and Mr. RANGEL, for allowing those of us who are not part of New York, but certainly part of this Congress, to just express our love and our admiration and affection for Ham Fish. But I want to claim him as someone who had tremendous impact on Connecticut because his district was in Westchester County, to the west of Connecticut and to the north of part of our district. In fact, I think Ham's home and my home are probably less than 20 minutes apart.

Ham Fish was a good friend of my predecessor, Stewart McKinney. They were two very distinguished Members of this Chamber, both of whom are no longer living. But I remember thinking as a young person that I was represented by an extraordinary man, Stewart McKinney, but also I felt in some ways represented by another extraordinary individual, Ham Fish, because he was still part of our area, and he was just someone who stood out almost any time he spoke as someone who was thoughtful, someone who was quiet in one sense, but strong behind that quietness, and at times you do not always get to see the courageousness of

a Member, but you saw it periodically in some very key votes where Ham Fish simply was kind of going against the tide of maybe his district or maybe his party. But you always felt that he was doing what he felt was right, not with a sense of arrogance, but with a sense of conviction and a willingness to accept however his constituents judged him.

So as a member of Connecticut's Fourth Congressional District and someone who got to see him in his function not only as a Member when I came here but as someone who I loved and admired before I got here, it was a privilege to be able to have served with him.

This would probably be hard for someone who is now 50 years old to say that he had a sense of a fatherly figure for me, but I did feel like I could go up to him and say, this is what I am wrestling with, and it was not a difficult issue for him to help me analyze. He just helped me sort out what my feelings were and what my constituents' feelings were, and then what did I think was right and why did I think it was right, and he just gave me a nice process to move forward.

And once in a while when I felt that I was maybe taking a stand that might take a little bit of courage, it did not seem like courage when after you spoke with Ham you just felt like you were doing the right thing, even, and I make this very key point, even when it was voting against the way he wanted me to vote.

I think one of the nicest things you can say about someone is that they will tell you the truth and they do not have any hidden agenda, and so there were times Ham wanted me to do something and vote a certain way, but he would know where I was coming from, and he said, well, given you, and given the way you think, and given your district, this may not be the way you want to go, and he would do that even if it risked losing a bill that he wanted very much.

I just want to again thank my colleagues.

Mr. RANGEL, if Ham Fish could make you want to be a better person, that kind of drew me over here, and he made all of us want to be a better person, and I just want to express my love, my condolences, to his wife Mary Ann, to his sons, Nicholas and Peter and Ham Fish III, and to his daughter, Alexa Fish Ward, and to their eight grandchildren. You have a precious husband, father, and grandfather to always remember. You have benefited by his love and affection, but so have we.

Mr. RANGEL. Mr. Chairman, I like to take this time to thank my dear friend, the gentleman from California [Mr. FARR]. As he and we know, the time that was allotted to the New York delegation had expired and the time we are now on is his special order, and we deeply appreciate you giving this consideration on behalf of our lost colleague, and I would ask the remaining speakers to please take that in consideration as relates to the length of their statements because Congressman FARR still has his time remaining.

I would like to yield to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Speaker, I rise to pay tribute to a man who brought honor to the House of Representatives through his grace, kindness, and sense of decorum, Ham Fish. As a Representative from a neighboring State, I had long admired Ham Fish even before coming to Congress. After my election I was fortunate enough to develop a personal relationship with him. In August 1994 we traveled together as a part of a delegation attending a conference in Berlin under the Aspen Institute. Ham added so much to the experience because not only was he extremely knowledgeable, but he and his wife, Mary Ann, were two of the most gracious, accommodating and generous people I have ever met. Their helpfulness and sense of humor pulled us through, especially when one of our Members got into a funny predicament. I will not relate the details here, but Ham and Mary Ann's willingness to extend themselves for others was unparalleled and will not be forgotten.

Ham Fish and I shared an interest in international relations, and although he lived in the cold war era and served in the Naval Reserve, he firmly believed that we could and should work together to achieve peace.

During the 1950's he served as vice counsel in Ireland. I will be visiting there next month, and I will certainly think of Ham when I see that beautiful country which has been seeking peace for so long.

□ 2115

He was well loved by the Irish people because he shared their hopes for their homeland, as well as their characteristics and their friendliness and their love of life.

As chairman of the Congressional Black Caucus, I wanted to especially note that Ham Fish, although unassuming as an individual, was a passionate champion of causes in which he believed. A long-time supporter of civil rights, he continued to stick to his principles, even fighting for the passage of the Civil Rights Act of 1991 when it was unfairly assailed by his own party as a quota bill. He sponsored amendments to the Voting Rights Act so all Americans would have access to the political process.

In addition, in conclusion, he pushed for passage of the Americans with Disabilities Act to ensure that no American would be unfairly denied opportunities the rest of us enjoy.

Ham Fish was proud to be from the old school, when courtesy and civility were the marks of a true gentleman. The Fish legacy should be remembered and honored in this day and age. There is too much divisiveness, both here in Congress and throughout the Nation.

Let us resolve to honor Ham Fish in the best possible way by following the outstanding example he set. Our condolences go out to his wonderful family: His wife, Mary Ann, his four children, his sister, and his eight grandchildren.

Mr. RANGEL. Mr. Speaker, I thank the gentleman from New Jersey, and yield to the gentleman from New York, ELIOT ENGEL.

Mr. ENGEL. Mr. Speaker, I thank my colleague from New York for yielding to me.

Mr. Speaker, as I was sitting in the Chamber and listening to all our colleagues speak about Ham, I could not help thinking if Ham were here right now he would be terribly embarrassed about it all. He would probably admonish us to not say the kind things we were saying, and he probably would say, ''Oh, you know, it's not really true.''

But I think the fact, Mr. Speaker, that there have been so many Members who have come here after hours from both sides of the aisle, both parties, to speak from their heart about Ham Fish really says just the kind of person he was. Everybody loved him. Everybody cared about him.

When you serve in office and you are elected again and again, as he was for so many years, it really means that the people in his district understood that he had a very special quality. Those of us that are privileged to serve in government, we meet people from both sides of the aisle. It is very quick and easy for us to figure out who are the real good ones.

I think we all know that Ham Fish was one of the real good ones. He had a very laid-back demeanor, a very kindly demeanor, and that made him even more effective. You really knew that he cared about you. You really knew that he cared about people.

I was privileged not only to serve with Ham Fish as a member of the New York State delegation, but there were four of us that shared part of Westchester County in New York State. Ham and I both shared parts of Westchester County, and so we worked together, the four of us, two Democrats and two Republicans, to try to get things for Westchester County. Never once can I remember a time where Ham embarrassed me or when Ham was not trying to help me.

Politics was not important. It was helping people, caring about people, that was important to Ham Fish. Every conversation I ever had with him, everything we ever discussed, was always pleasant.

I remember during reapportionment, and my colleague, the gentleman from New York, CHARLIE RANGEL, and other colleagues from New York will remember that there was a lot of trepidation in New York because we were losing three congressional seats in reapportionment, so it was a very, very tense moment. Ham would always kind of crack a joke.

There were many different maps that were drawn. One of the maps had me

going deep into Westchester County. Ham counted the number of golf courses that would be in my district, and he said to me, ''Boy, 19 golf courses. That is a pretty good district.'' That district was never meant to be, it was not a district that I had received, that I eventually wound up having, but every time I saw him afterwards he would always joke about the 19 golf courses and how perhaps we could play some golf.

Ham Fish was a wealthy man. He was one of the wealthiest men in Congress, but you would never know it. You would never know it because he never flaunted it. He truly cared about people. It did not matter how much money people had, it did not matter what they looked like, it did not matter the color of their skin, their race, their religion. Ham Fish cared about them all.

After he left Congress, a couples of times in the Shuttle coming back and forth from new York to Washington I bumped into him. Again, he always had a smile, always had a good word, always was asking me how I was, how my wife was, how Congress was. This was the kind of person that Ham Fish really was.

The New York delegation in particular has lost a good friend, but he will certainly live on in our hearts and in our minds. When I look to see what kind of a legislator, what kind of a person, indeed, that I try to be, Ham Fish is a perfect, perfect role model: Hardworking, quiet, and effective.

So I want to say to his family, the Fish family, to Mary Ann and to his children, whom I know, and to everyone, we will certainly miss Ham Fish, but we will never forget him. I know Ham Fish is looking down at us now, being a bit embarrassed by it all, but everything that has been said by every Member today is true. It is the way we feel about Ham Fish. He will truly be missed and he was truly loved.

Mr. RANGEL. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, I would like to remind the remaining speakers that the time that we are on is that of our colleague, the gentleman from California, SAM FARR, who has yielded such time to us in memory of Hamilton Fish. I think we should take that into consideration as it relates to the length of our remarks.

Mr. Speaker, I yield to the gentleman from New York, JERRY NADLER.

Mr. NADLER. Mr. Speaker, I thank the gentleman for yielding to me. I want to thank my colleagues, the gentlemen from New York, Mr. RANGEL and Mr. GILMAN, for organizing this, and to join my colleagues in remembering a distinguished Member of this House and a dear friend of every American, Hamilton Fish, Junior.

When I was first elected to the House a few years ago, Ham was gracious in welcoming me and providing expert guidance as I learned my way around. As the ranking minority member at that time of the Committee on the Judiciary, on which I was privileged to serve with him, he was always a model of collegiality and decency. As we lament the sometimes bitter tone our work has taken in these recent days, we would do well to recall Ham Fish's leadership and his civility, his rationality, and his courage.

Ham Fish was an outstanding and expert advocate always for human and civil rights. I remember first being impressed and becoming admiring of Ham Fish when I was a young law student and I watched on television as Ham Fish, as a member of the Watergate subcommittee of the Committee on the Judiciary, voted to impeach a President of his own party, based on his view of the evidence and his view of the defense of the Constitution against aversion.

America will remember Ham Fish for his legacy as a major architect of the Voting Rights Act of 1982, the Civil Rights Act of 1991, the Americans with Disabilities Act, and much other legislation that advanced civil rights.

My home State of New York owes much to the Fish family, which has served this Nation and our State from the early days of the Republic. Ham carried on that tradition with grace. Whether taking the initiative to ensure agreement on vital fair housing legislation, or voting the Americans with Disabilities Act into law, he was a master of the legislative art, and used those abilities to the benefit of the Nation always.

We will miss Hamilton Fish. I want to extend my sympathies to the Fish family, to Mary Ann, to Ham III, to Alexa, and to my friend and constituent, Nick. This House and this country is the better for his having served it, and it is the less for his absence from it.

Mr. RANGEL. Mr. Speaker, I yield to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I thank the leader of our delegation, CHARLIE RANGEL, for helping with this special order. I just want to add my words of condolence and consolation to Mary Ann, whose my good friend, Ham, who was my college classmate; Nick, who I have met in West Side politics; and to the rest of the Fish family.

Let me just say that Ham was the best. He was the best of the old school, he was the best of this Congress, he was the best of America. I served with Ham for a long time before JERRY NADLER came. We were the only New Yorkers on the Committee on the Judiciary, so we would have to spend a great deal of time together.

On that committee, Ham was the swing vote. The way Ham went, the committee usually went, and not for any accident. Ham was thoughtful, he was decent, he was rarely pulled in any direction by any special interest. So when Ham voted a certain way or spoke a certain way, people followed. Ham was what a legislator should be. He had the interests of the people of his district at heart in Westchester and Putnam and Duchess County, but he also had the interests of this country at heart.

He was a true patriot, and that is why he cared so much, I think, about civil rights. It really was not a big issue in his district. He just cared about it. That is why he cared so much about having fair and reasonable immigration laws, and would often resist the tide of those who were trying to just cut back for cutting back's sake. That is why, on antitrust laws, he did not go after companies with a vengeance, but he knew they had to be curbed at certain times.

Ham was just the best. He had a twinkle in his eye half the time. He would have that droll sense of humor. He would be saying something that at first you thought was serious, and then you realized, no, this is Ham. He is pulling my leg. He was just a wonderful, wonderful person.

He kept his dignity despite his illness. He kept his strength and his wisdom for his many years, and the legacy he leaves is twofold: A wonderful wife, and what a twinkle there is always in her eye, and I think a lot of that was because of Ham, and what wonderful children; and his legacy that he really helped make this country a better place.

When I worry about the future of this Congress, the devisiveness, the partisanship, the fear of always looking over one's shoulder because there will be a 15-second sound bite, or some group that you anger, I think if the Congress had a few more Ham Fishes, if the Ham Fish way of legislating were here, this Congress would have a great and glorious future.

So he is something, in summation, that all of us should aspire to and live up to, and there is sadness in all of us that Ham is no longer with us, but there is also a lot of joy because he left so much that we can all aspire to and follow.

Mr. RANGEL. Mr. Speaker, I yield to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman from New York for calling this special order, and for yielding to me.

Mr. Speaker, heeding his admonition and that of Mr. GILMAN to be brief, I will associate myself with the remarks of our colleagues who went before, but just take a moment to immediately associate myself with the remark of the gentleman from New York [Mr. SCHUMER] who said that Ham was the best. That was part of my remarks, too. He was the best that our system had to offer.

If there was an aristocracy in America, he would certainly be part of it, an American aristocrat, almost a contradiction in terms; not by dint of his birth, which goes back to the pre-Revolutionary days, his family was here in the pre-Revolutionary days of our Republic, nor also for his wealth, but by

dint of his great dignity, his respect for the principles on which our country was founded, and his love for our country.

Others have talked about his fight for civil rights, et cetera. I want to just acknowledge that he was a leader in fighting any and all forms of discrimination: discrimination in voting, discrimination in education, discrimination in housing, discrimination in the workplace, and discrimination against the disabled, which has been mentioned earlier.

The legacy that he leaves here, as a person who was a champion of human rights throughout the world, is the legacy of respect for every person. He taught us about the issues, he taught us about the procedure, and he taught us about the respect that we must have for each other in this body.

Over 12,000 people have served in the House of Representatives since its origin. I think each of us who served with Ham Fish have had a special privilege. I hope it is a comfort to Mary Ann and to the Fish family, the entire Fish family, that Ham's distinguished service was highly recognized with the many awards that he received in his life, for the reasons my colleagues have mentioned. I hope they are comforted by the fact that he was a recognized champion of human rights in America and throughout the world, and as I said, that every Member of this body who served with him over those many years will consider it a fortunate honor to have had that association, and that it will be part of our legacy that we were exposed to the greatness of Ham Fish.

On behalf of many of my colleagues in California, whom time prevents from participating in this special order, and certainly on behalf of my own constituents, who benefited greatly from the leadership of Ham Fish, I extend my deepest condolences to Mary Ann and to the Fish family. I thank my colleague from New York for yielding me this time and his leadership.

Mr. RANGEL. Mr. Speaker, I yield to the gentleman from Pennsylvania, GEORGE GEKAS.

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding.

One day several years back I wandered onto the floor and discovered there was a meeting going on of the former Members of Congress. They gather every year and they have a program and an agenda, as everybody knows. Very soon I learned that they were saying hello to Hamilton Fish, the former Member of Congress, who was in his nineties, who happened to be sitting with his kid, and his kid was our Hamilton Fish. They were talking together.

□ 1930

It dawned on me that there is a line of consanguinity that goes back in American history to the Cabinet of Ulysses S. Grant. We had the privilege of serving with that long line of American heroes who have served this country in good times and in bad, but always with that purest sense of patriotism and in the posture of a gentleman's gentleman that our Ham Fish was.

GENERAL LEAVE

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the life character and public service of the late Honorable Hamilton Fish, Jr.

The SPEAKER pro tempore (Mr. CAMPBELL). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANGEL. Mr. Speaker, as I yield to the gentleman from California [Mr. FARR], let me once again thank him for the courtesies that he extended to his Members in the House and especially the New York delegation.

Mr. FARR of California. Mr. Speaker, if I may, on the remainder of the time of the gentleman from New York [Mr. RANGEL], I wanted to give this time because when I arrived here, I just wanted to say that one of the Members that I remembered first meeting was Hamilton Fish. The reason that I remember it so distinctly is that his cousin Stuymie Fish lives out in California and as anybody who has ever been on the Monterrey Peninsula knows, the Fish Ranch is this beautiful piece of property that everybody can see. So you have the Fish family well known all the way from New York to California and from Monterrey and Carmel all the way back to the East Coast. It was a pleasure to be able to give you some time since you could pay this tribute to a well-respected friend of us all and even friend to those like me. He was only here a short while while I was here but I was very impressed and we got to talk a little bit about the family relationship between the East Coast and the West Coast.

Mr. RANGEL. Mr. Speaker, may I thank BEN GILMAN. We have always considered ourselves as colleagues rather than partisan. There is hardly anything that we do here that we do not try to do in a bipartisan fashion as well as this order. I also thank our former colleague, Robert Garcia, for taking the time out to pay a tribute to his friend and former colleague.

Mr. STOKES. Mr. Speaker, I want to thank my colleagues, the distinguished members of the New York congressional delegation, BEN GILMAN, SUE KELLY, and CHARLIE RANGEL, for reserving time on the House floor today. We gather to pay tribute to Hamilton Fish, Jr., our former colleague and good friend.

Ham Fish passed away earlier this week. With his death, we mourn the loss of a distinguished individual and a committed public servant. When Hamilton Fish, Jr., was elected to the Congress in 1968, he continued a political lineage dating back to the American Revolution. He followed in the footsteps of his father, grandfather, and great-grandfather, each of whom served in Congress.

For over a quarter of a century, Ham represented New York's 19th Congressional District in the Halls of Congress. I share the sentiment of others who state that Ham Fish was one of the outstanding Members of this body in the century. America mourns the loss of an individual who was a real champion of justice and fairness.

Mr. Speaker, Hamilton Fish, Jr., earned respect from his colleagues and the Nation for his leadership on civil rights, immigration, and judicial issues. He is credited with helping to fashion compromises which resulted in the passage of the Fair Housing Act of 1988 and the Americans With Disabilities Act in 1990. He was also a sponsor of the Civil Rights Act and a backer of the Voting Rights Act and the Fair Housing Act.

As a Member from the other side of the aisle, Ham played a key role in helping the House to operate in a bipartisanship manner. Many of us recall the leadership and wisdom he displayed during the impeachment hearings of President Nixon. Hamilton Fish was able to work beyond party lines and take courageous stands. He was a man of the highest integrity and principles.

Mr. Speaker, I enjoyed a close personal friendship with Hamilton Fish. In fact, we both came to Congress in 1969. I recall that for a period of time our offices were next to each other and it was common for us to see one another every day. He was always cordial and friendly and we enjoyed a personal friendship. I had great respect for him as a legislator and as a colleague. I admired him for his very principled stands on issues of national concern and his leadership on civil rights matters. Ham Fish was a man who distinguished himself in this body and I deem it an honor to have served with him.

Mr. Speaker, I am proud to have served in the Congress with Hamilton Fish, Jr. He was a credit to this institution, a true gentleman, and a close personal friend. I join my colleagues in expressing our sympathy to his wife, Mary, his children, and grandchildren. We hope they find comfort in knowing that others share their sorrow.

Mr. BEVILL. Mr. Speaker, I rise to pay tribute to my long-time friend and former colleague, Hamilton Fish, Jr., who passed away this week.

As you know, Ham served the Hudson Valley region of New York from 1968 until his retirement in 1994. He was a wonderful man who came from a long line of fine public servants. His father, grandfather, and great-grandfather—all named Hamilton Fish—also devoted themselves to public service.

Hamilton Fish, Jr., was one of the most dedicated people I ever had the privilege to serve with. Everyone liked him and respected him. I was always very impressed with him and I enjoyed his friendship. I felt that he rendered outstanding service not only to his constituents in New York, but also to the entire Nation.

Hamilton Fish, Jr., is someone who will always be remembered as the kind of person every public servant should aspire to be. He was gracious and kind. He cared about people and he displayed a great deal of common sense and good humor.

He will be greatly missed by all who knew him, but his achievements and his contributions to our country will always be remembered.

Mr. PORTER. Mr. Speaker, I rise with my colleagues to commemorate the passing of

one of my good friends, Hamilton Fish, Jr. Together with my family, I want to extend my deepest sympathies to Ham's family and urge them to be strong in this time of loss.

Ham was a respected Member of this institution and a mentor to me when I was a young Member of this body. He was respected by all who knew him for his deep and abiding respect for the Constitution, his knowledge of the law and his wisdom as a legislator, his sense of decorum and the importance of this institution, and for his ability to work on both sides of the aisle to find consensus on controversial issues.

Ham was also a fighter for the things he believed in, a fighting spirit that was demonstrated in his courageous battle against cancer. Unfortunately, he has now lost this battle.

As chairman of the Labor, Health and Human Services, Education Subcommittee, I want the Members of this body to know that I take the heart the courage shown by Ham in his battle against cancer, courage that too many Americans facing this dread disease must muster every day. And I want the Members to know that I will continue to do all that I can to bolster research funding for the National Institutes of Health, including the National Cancer Institute, in the hope that we can make greater progress against this disease and, by so doing, honor Ham's memory and the memories of those who, like him, have shown such courage.

Mr. SENSENBRENNER. Mr. Speaker, I rise today in tribute to the late Hon. Hamilton Fish, Jr., an outstanding American of great compassion, decency, and dignity.

Known to this friends as ''Ham,'' he dedicated his life to serving the United States. As a young American, he interrupted his education to enlist in the Navy during World War II. Later Ham joined the U.S. Foreign Service and served in Dublin as Vice Consul to Ireland from 1951 to 1953. In 1968 he began his 26 years of dedicated service to the people of New York's 19th Congressional District as their representative to Congress. His constituents appreciated his leadership and hard work, electing him by overwhelming margins as a result.

I observed Ham's legislative skills while serving with him on the Judiciary Committee. He was a master at working together with all Members to achieve a consensus. While in Congress, Ham focused his skills on passing legislative landmarks, such as the Americans With Disabilities Act and the Fair Housing Act. In addition, he was a leader in crafting copyright and antitrust law.

While he was well known for his legislative accomplishments, Ham Fish was best known as a great American. Friends and foes alike respected and admired Ham. His affable and kind personality positively impacted all who knew him.

Today America has indeed lost an outstanding citizen. I offer my condolences to the family and friends of the late Hon. Hamilton Fish, Jr.

WHY THE NEED FOR THREAT ASSESSMENT IN HAITI?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, I too would like to associate with the extraordinary outpouring of tributes to Ham Fish by so many of our colleagues. They bring back many happy memories of a wonderful man, and I join in the sympathies sent to Mary Ann and the family.

Mr. Speaker, yesterday when we began hearing from some of our acquaintances down in Haiti regarding a sudden and apparently secret surprise increase in American troop presence, we were not sure what was going on. Despite the high level of interest in Haiti, of many offices on the Hill here, no one in the administration appears to have taken the time to notify anybody of this new deployment. Frankly, this kind of uncertainty falls far short of adequate when we are talking about committing more American troops anywhere, especially in Haiti, especially today.

Because we took the time to ask around, we now think we have confirmation that indeed a force from the 82d Airborne has arrived in Haiti. Billed as an extension of Operation Fairwinds, which is an operation there, 200 members strong, civil engineering mission that has been in Haiti. Apparently company size or so, about that many troops have been sent on a mission of reconnaissance and threat assessment.

Mr. Speaker, this brings up a number of questions, questions that certainly are going to be of interest to the taxpayers of this country who have already seen the Clinton administration spend something like $3 billion in Haiti.

One of the first questions that has got to be answered is, how much is this latest operation going to cost and is this just the beginning of something that is going to go on and be something larger? Then I have got to ask, why does a good will operation like Operation Fairwinds, which is supposed to be an engineering operation, require reconnaissance and threat assessment with company size strength and additional soldiers of the 82d Airborne who are there in humvees, and machine guns and battle dress, I am told.

These are the crack troops that we send to deal with hot spots. I am curious why we are sending these troops to this place that the Clinton administration keeps telling us is a success story in their foreign policy annals. What prompted this deployment? Is it a tacit admission on the part of the administration that things are not going as well as we are told in Haiti? Does this new deployment arise from concerns brought on by a Haitian court's decision on the Guy Malary murder trial earlier this week?

Should we infer that there are credible threats against Americans and American interests in Haiti which regrettably we have had reported? Or perhaps this is an extraction force set up to implement an evacuation plan. What does reconnaissance or threat assessment mean in this sense by the 82d Airborne? I think it is very important that we have answers to this.

I know there are some that have already suggested that this force is being sent to determine what kind of firepower it is going to take to keep law and order in Haiti at least through November. I do not know. That is certainly cynical, but I do not know whether that is a question that needs to be asked. Will there be a follow-on mission? That is something we all would like to know.

Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. GILMAN], chairman of the Committee on International Relations.

Mr. GILMAN. I thank the gentleman for yielding, and I think the gentleman from Florida [Mr. GOSS] raises some very serious questions.

As I understand it, none of the committees have been briefed on this operation, at least to my knowledge. I know our Committee on International Relations has not been briefed. I know the Permanent Select Committee on Intelligence, the committee of the gentleman from Florida [Mr. GOSS], has not been briefed.

We are very curious just why we are sending this crack division of military people, the 82d, into Haiti at this time allegedly to protect a road-building operation. There are some very serious questions we would like answered, and our committee intends to seek out those answers in the very prompt, early days of next week.

Mr. GOSS. Reclaiming my time, I thank the distinguished chairman for being part of this. It is this kind of thing that makes it very hard to work cooperatively with the administration because we have had so many assurances they are going to keep us apprised of events. This is a significant event.

You do not send the 82d Airborne someplace quietly and not expect to have somebody ask some questions. Are we putting troops back in harm's way? So rather than have the spin doctors down at the White House spin yet another story, I want to know what is going on, Mr. Speaker, and I hope the administration is listening, is going to take the trouble to brief the Hill.

Mr. GILMAN. I want to thank the gentleman for raising the issue to the floor, and I hope we can get some early answers to these questions.

CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. FARR] is recognized for 33 minutes as the designee of the minority leader.

Mr. FARR of California. Mr. Speaker, I rise tonight to reflect on what was accomplished here on the floor of this House today where we finally got around to what was labeled last week as reform week but came down to essentially reform hours, about 2½ hours

of reform, a discussion on campaign financing reform.

I think those who were in the Chamber and who participated today saw again history being made by Republican leadership in being able to defeat campaign reform. It was an interesting saga today because it started off with a reflection on the history of where campaign reform had been.

In 1987 Congress passed campaign reform. That was the 100th session of Congress. The Republicans filibustered the campaign finance bill in the Senate and were able to kill it in that year. Then in 1989 the House passed in the 101st Congress a bill that the Republicans delayed action in 1990 in the Senate until it was too late to appoint the conferees so that they could settle the differences between the House and Senate version, again a defeat by Republican leadership.

Then in 1991 the House and Senate passed bills and later in 1992 a final conference report. That bill got to the President. The President then was George Bush, and he vetoed the bill. So from beginning in 1987, working its way up, campaign reform on this House being dealt with and being defeated. Then again in 1993 the House and Senate passed bills. But in 1994 the Republicans blocked appointing the conferees so that the differences again between the House and Senate version could not make it to the President. At that time we had elected Bill Clinton as President. Had that bill gotten to the President's desk, it would have been signed.

Today what we saw was that the Democrats came back again with a bill that I happened to author. The bill had bipartisan support. Unfortunately the Speaker came down to the floor and argued very strenuously to defeat the Farr bill and to pass the Republican version, the Thomas bill. An interesting vote took place. First, on the substitute, the Democratic substitute was defeated.

Then the vote was taken on the underlying bill, the Thomas bill. Really surprisingly, historically surprising is that that not only was defeated by almost 100 votes, but it was defeated by Members of the Speaker's own party.

So what we have seen here in the last several years, dating back to 1987, is the inability for Congress to get sufficient votes to enact campaign reform. I think one of the difficulties is that that campaign reform movement had always been moving as the Democratic bill did today with one of setting limits on what Members of Congress could spend in campaigns. It limited it to a specific amount. Then it said, even though the Supreme Court has indicated that you cannot really limit people in what they spend because of the interpretation of the free speech, article 1 of the Constitution, but the courts have never commented on whether you voluntarily get up and say, as a candidate for office, that you would limit your expenditures, which is what our bill did.

It said, if you go that route, then you can put limits on a Member. We put the amount at $600,000, quite a bit of money to run for Congress. Frankly, that is about the average that the winning Member of Congress had to spend. So if we are going to reform something, we have got to start with where we are and begin from there.

In addition to limiting the amount of money, it also put in provisions for how much you could raise and where you could raise it from. It began with PAC's, which are very controversial. Always in campaign reform, some people want to eliminate PAC's. We think that that is probably unconstitutional.

What we did in our bill is we said, all right, we will limit the amount that PAC's can give to the candidate. And in addition we will limit the amount that candidates can spend, the first time we had limits on PAC contributions.

The second part of the provision said that not only will we limit PAC's but we will limit the amount that wealthy individuals can contribute. We defined a wealthy contribution as any amount $200 or more. We said that only one-third of your money could come from wealthy individuals.

Then the third category was individuals donating less than $200, essentially small contributions. In that area we indicated that you could raise as much as you wanted from small contributions, essentially bringing the issue back to the constituents, back to people participating in the election of Members of the House of Representatives.

There was no limit on the amount you could raise from small contributions just as long as the aggregate amount did not exceed the cap which we had put on Members who were voluntarily limiting themselves to $600,000.

I think the most interesting part of the campaign proposal was the part that limited how much wealthy candidates could contribute, wealthy persons running for Congress could contribute to their own campaign, $50,000. This is a limit that we think brings the level playing field between wealthy candidates and those who do not have those kinds of resources.

Earlier this year, or in November, actually, of last year, the Speaker of this House said, and I quote: ''One of the greatest myths of modern politics is that campaigns are too expensive. The process in fact is underfunded, not overfunded.''

□ 1945

Mr. Speaker, what we saw today was a bill sponsored by the gentleman from California [Mr. THOMAS] that would allow that process of getting more money into campaigns to be amended into law, to lift the current law's limits and to provide a greater expenditure of funds.

So I think what the public interest groups and so on were very instrumental in bringing to the attention of every Member of Congress, and particularly to people watching this issue and concerned about this issue, that this was not reform at all; it was moving in totally the opposite direction than anyone had ever intended, and that message was heard loud and clear when the vote was taken, with the Speaker's bill being defeated by, as I said earlier, by almost 100 votes.

So where are we? We have again, in the 104th Congress, discussed campaign reform, developed two contrasting pieces of legislation, giving Members of this House the option to vote for one or the other, and in this case, both of them were rejected.

I think that there is good news and bad news in that. The good news is that the bad bill did not get out. The bad news is that the good bill did not get out, either. But there is some hope because I think this Congress is beginning to realize, as we move toward the end of the 104th Congress, that we are not going to be able to accomplish reforms of the institution or reforms of this Nation without doing it in a bipartisan fashion, that there is no win-win by strictly taking a partisan approach to problemsolving.

So what we found out from the double defeat today was the fact that we need to pull together in a bipartisan fashion, and I think that I have seen in the last several weeks as we tried to work these votes out that there is a coming together. But the coming together is going to be much closer to what was called the bipartisan bill, which was very, very close to the one that I offered today, had minor differences. And I think the differences between that bipartisan bill and the bill that I authored can easily be worked out, and hopefully next year when we come back as a new Congress, one of the first items of the new Congress will be a reform package that will address some of the reforms that we still need to do internally, but also will incorporate those reforms into something we need to do externally. And externally is revising and reforming how Members of the United States Congress are elected.

So, Mr. Speaker, I am very pleased that we are getting closer to the solution, and I am very pleased and thankful for the numerous Members of the opposite side of the aisle who helped me on the vote today. I just want the record to show that even though we lost, we think we were successful in bringing the issue to the House and to demonstrate that the American public has been heard in the U.S. Congress on campaign reform, and that is that they do not want to see, and this House has supported them by not supporting a bill that would go for more money in campaigns and lift the lids that have been voluntarily placed on it.

So next year we come back and hopefully put together a meaningful bipartisan campaign reform that will be a little bit of a modification between the

Farr bill and the bipartisan bill and hopefully, given time to reflect on it and given support across this Nation, and given the fact that when we are deliberating this bill, it will not be just before an election. I believe that we can pass such legislation and get it to the President's desk for his signature.

So again I want to thank my colleagues for supporting my bill, I want to thank the Republicans that helped support it, as well. I look forward to working with everyone next year to make a meaningful campaign reform, not just a discussion, not just a debate, not just a vote but a reality.

THE MUNICH ELEVEN

The SPEAKER pro tempore (Mr. CAMPBELL). Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 60 minutes.

Mr. KINGSTON. Mr. Speaker, 24 years ago this summer, this August, people from all over the world started turning their eyes toward Munich for the summer Olympics. That was one of many historic Olympic games that were held.

While the world turned there and many went there to pursue gold and silver and bronze medals, others went there and returned only with memories. And 11 members of the international committee, Olympic athletes, did not come home.

Tonight we want to discuss this tragic page in world events. I have with me the distinguished gentleman from New York, Congressman BEN GILMAN, who I want to yield the floor to tonight. He has been waiting. Congress, as you know, Mr. Speaker, adjourned several hours ago but he has been waiting to make a statement.

I am going to yield the floor because I understand he has an engagement and I do not want to hold him up, but I certainly appreciate him participating.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Georgia [Mr. KINGSTON] for arranging his special order.

Mr. Speaker, I want to take this opportunity to commend the gentleman from Georgia for sponsoring this order at this very special occasion during the Olympics in Atlanta and on the closing of the Tisha be-Av holiday for the Jewish community, a very solemn occasion. It is a fitting memorial tribute to the 11 athletes of Israel's team who were taken hostage and viciously murdered by a group of Palestinian Black September terrorists at the Munich Olympic games in 1972, and I commend the Atlanta Jewish Federation and Israeli Olympic Committee for erecting a permanent monument to these athletes which will be dedicated in Atlanta this Sunday.

Regrettably, the International Olympics Committee, IOC, is not a sponsor of this monument but will send a delegate to attend the proceedings. During the planning for these Olympic games, IOC chairman, Juan Antonio Samaranch, apparently promised the athletes' families the IOC would officially memorialize the murdered athletes at these games. This has turned out not to be the case. Accordingly, ad hoc memorials, such as today's special order, will have to suffice. We will have to fight the scourge of global terrorism without the IOC.

Mr. Speaker, the horrible events of September 5, 1972 witnessed eight members of the Black September terrorist organization break into an Olympic Village dormitory in the early morning hours where the Israeli delegation was housed, and despite strenuous efforts by the targeted athletes to save themselves and each other, only six members of the team managed to reach safety; the remainder were taken hostage and killed in the violence which ensued.

We remember the painful broadcasts which hour by hour saw the terrorists' deadlines pushed back and frantic hopes that these Olympians' lives could be saved. With negotiations conducted by the German authorities, the masked terrorists demanded the release of 236 guerrillas held in Israeli jails, as well as the release of the leaders of the notorious Bader Meinhoff gang and safe passage to a foreign country. Late that evening, the terrorists, with their hostages in tow, boarded buses for an airfield and helicoptered to a waiting Lufthansa Boeing 707. German police snipers fired on two of the terrorists as they approached the plane and a fire fight ensued. The terrorists were armed with grenades and automatic machine guns while the police possessed only single-bore rifles.

Just after midnight, one terrorist threw a grenade into the helicopter, killing the nine remaining hostages while the terrorists shot at the fire response team, keeping them from the burning helicopter. The three remaining terrorists were then apprehended but were released by the German Government approximately 8 weeks later when Black September terrorists hijacked a Lufthansa flight from Damascus to Frankfurt in late October. The three men were picked up in Zagreb airport and flown to Libya where subsequently they disappeared.

We therefore honor the memories this evening of those Israeli athletes and their coaches murdered at the Munich Olympics: David Berger, a dual American-Israeli national, Zeev Friedman, Yoseph Gutfreund, Eliezer Halfin, Yoseph Romano, originally from Libya, Amitzur Shapira, Kehat Shor, Mark Slavin, a Soviet Jewish immigrant who had arrived in Israel only 4 months earlier, Andre Spitzer, Yaacov Shpringer, and Moshe Weinberg.

These men lost their lives for no reason other than because they were Israeli citizens and Jewish. The terrorists who seek to spread their evil today do so for the same reasons, despite the many years which separate that tragedy from recent ones. Yet it is clear that our fight against terrorism is not over in the least and those who perpetrate these crimes against humanity all too often are set free.

Let us therefore rededicate our efforts to combat this threat wherever it rears its ugly head. Israel's Munich athletes may be gone but they are not forgotten, and it is in their memory that we press on against this worldwide menace and its State sponsors.

Again I thank the gentleman from Georgia [Mr. KINGSTON] for helping us refresh our memories with regard to this tragic accident and to memorialize the losses of these people.

Mr. KINGSTON. Mr. Speaker, I certainly thank the distinguished gentleman from New York for participating and all the work that he does for international peace and fighting international terrorism, because we need people like him involved in this and the leadership.

What I wanted to do, Mr. Speaker, is kind of maybe draw a picture of that tragic night of September 5 when the athletes were all bedding down for the evening and a young Andre Spitzer had called his wife, Ankie. They had only been married about 15 months at the time, and they had a new daughter 2 months old, Anouk. They were very happy. They talked a little bit about the games to come up, about his role as fencing coach, and then they talked about the new daughter and how happy they were. And that night as they hung up the phone, Andre said to Ankie, I love you. Then he, along with 10 other athletes, went to bed that night, and they had come so far for their own talents of wrestling, fencing, shooting, track, and weightlifting. As they put their head on the pillow, their hearts were inspired, their minds maybe a bit anxious, their emotions certainly somewhat eager. As they went to bed they were confident that with the morning light they would have a daytime opportunity to realize a dream that they had indeed had all their life, but instead they were awakened to darkness and awakened in a nightmare.

Mr. GILMAN talked about this. I will reiterate a little bit of exactly what has happened. There are a lot of different accounts but generally, as Mr. GILMAN said, at 5:30 a.m., a group burst into the Israelis' quarters. Only one Israeli, weightlifting coach Tuvia Sikulski escaped the first attack. And another one, Gadza Barry, a wrestler, escaped during the fight. In fact, six of the team members escaped into safety, one of the members, Moshe Weinberg, only 33 years old, held the door against the attackers, hollering over his shoulder to his friends inside the dormitory, get out, escape while you can, and they began breaking the windows with their hands, and yet a burst from an AK–47, and that was all for Mr. Weinberg.

□ 2000

Yoseph Romano, a 32-year-old weight lifter, was also killed during fighting with the terrorists. Nine others could

not escape. Nine others were trapped, and they fought with knives, but certainly were overpowered with the heavy artillery of the terrorists.

Their hands were tied behind their backs and they were forced to hobble to a central location. And what ensued was 21 hours of pure hell as they went from location to location, as negotiations began, negotiations broke down, and the threats from the terrorists to kill a hostage each hour went out.

The families sat by helpless. Indeed, authorities and people from all over the world sat by helpless. And it went on until about 10:20 that night.

They were taken out to an airport, and at that time a faulty rescue mission took place. There were so many mixed signals, so many ideas that were aborted and so many, I guess just scared and skittishness, that, as Mr. GILMAN said, only five West German sharpshooters were able to get there, and, of course, there were eight terrorists.

Five of the terrorists were killed. But during the battle that lasted for about 1½ hours, in cold blood, a hand grenade was thrown into the helicopter that had the nine hostages, and they were killed.

It was a very sad situation, obviously, for the family, and a very dark chapter in the history of the world.

I want to talk about the shattered effect this has had on the families, but I also wanted to acknowledge and thank the gentlemen from Georgia, Mr. DEAL, and Mr. LINDER, for joining us, and I would be happy to yield the floor to either of you if you would like to talk at this time, if you want to. But we appreciate your sympathy to the families and acknowledging them.

Mr. LINDER. If the gentleman will yield, I think it is appropriate you are bringing this to the floor. We in Georgia are celebrating the 100th Olympiad, the centennial games, and there is great joy and great excitement in Atlanta for all the 11,000 athletes participating there. But for all the winners, we need to look back at the Munich games and remember there were some losers.

Throughout history, the free history, it always seems to be the Israelis who were the losers. They were the ones that were murdered. In fact, they are the only ones about whom we have now in Atlanta been forced to double our security, triple our security, because of terrorists trying to do damage to Israelis.

I am told on Sunday evening in Atlanta there will be a ceremony honoring those who died and their families. Unfortunately, I will be here and not there, or I would be delighted to attend it. But it is appropriate to bring this issue up in the midst of the excitement and the glory of the games and when all are watching, that we think back to those 1972 games, where great athletes, who had trained, who looked to the gold, who tried to win, were shot down by terrorists in our own midst.

I will yield back and continue to enjoy your speech.

Mr. KINGSTON. The gentleman mentioned the family members. I think it is appropriate as we are focusing on the widows and on the 14 children and grandchildren that I enter into the RECORD their names and say a little bit of who the athletes were who now are known as the Munich 11. I will do this, and then I will yield the floor to Mr. DEAL and Mr. FOX, the gentleman from Pennsylvania, who has joined us.

The Munich 11: David Berger, 28. Weight lifter. Born in Cleveland, OH; graduated from Colombia University, degrees in law, economics, and psychology. Immigrated to Israel in 1970 where he worked as a lawyer.

Zeev Friedman, 28 years old. Weight lifter. Survived by his parents and sister. Born in Poland; immigrated to Israel in 1960.

Yoseph Gutfreund, age 40. International wrestling judge and referee. Survived by his wife and two daughters. Born in Romania. He was a businessman in Jerusalem.

Eliezer Halfin, 24. Wrestler. Survived by his parents and sister. Born in the Soviet Union; immigrated to Israel in 1969. He was a mechanic.

Yoseph Romano, age 32. Coach of the weight lifters. Survived by his wife and three daughters.

Amizur Shapira, age 40. Track coach. Survived by his wife and four children. Born in Israel.

Kehat Shor, age 53. Shooting coach. Born in Romania; immigrated to Israel in 1963. Survived by his wife and a married daughter.

Yaacov Shpringer, age 50. International judge and referee in wrestling. Born in Poland and immigrated to Israel in 1956. Survived by his wife, a son, and a daughter.

Mark Slavin, died at age 18. Wrestler. Born in the Soviet Union and immigrated to Israel in 1972. Survived by his parents, a brother, and a sister.

Andre Spitzer, 27. Fencing coach. Born in Romania. Survived by his wife and a daughter.

Moshe Weinberg, died, age 33. Wrestling coach. Born in Israel. Survived by his wife and baby.

And now I would like to say the names of the children, because I think it is so important for us to make sure that we are focusing on a very human tragedy, although an international one, certainly a very personal one, too.

Shirly Shapira, Shay Shapira, Oz Shapria, Eyal Shapira, Alex Shpringer, Eugenia Shpringer, Anouk Spitzer, Shlomit Romano, Rachel Romano, Oshrat Romano, Gur Weingberg, Michal Shorr, Yael Gutfreund, Yehudit Gutfreund. These are the children. These are the real people that are affected by this.

I don't have all seven names of the widows. I would like to submit that to the RECORD, and I will work on getting those names.

I am going to read you just a couple of quotes before I yield to you. This is a comment by Shlomit Romano, 24-year-old daughter of the weightlifting coach who was killed.

''They were killed and it's over? We didn't say the word daddy once in our whole lives and nobody remembers.''

To live your life without knowing your dad.

Then here is a word from Guri Weinberg. ''A lot of people say I look like my dad and move like him, I talk like him. But I don't know.''

He never had the chance to know his dad.

These are just two of the quotes of the children. And that registers on the heart not just of everyone here in Congress and everyone here in America, but citizens throughout the world.

Let me yield to Mr. DEAL.

Mr. DEAL. I appreciate, first of all, your bringing this to the attention of this Congress, and at this appropriate time, as these 14 children, who are really orphaned as a result of this very tragic event, have been able to come to these Olympic games that are being hosted in our State of Georgia and our capital city of Atlanta.

It is certainly appropriate I think for us all to remember these tragic events of the 1972 Olympic games, and certainly appropriate, as you have just done, to read the names of those who were tragically murdered in that event and to remember these 14 orphans who are here in the United States for these Olympic games.

As Mr. LINDER referred to earlier, I am pleased, as I know all of us are, that there will be a ceremony on July 28 at 7:30 at the Selig Center in Atlanta in which a memorial will be dedicated in memory of those who were slain in the 1972 Olympic games, the 11. It is being hosted by the Atlanta Jewish Federation, and certainly is an appropriate way of all of us remembering this particular tragedy that still has a cloud that hangs over the Olympic games, in spite of the fact that we have come very far in the years that have followed.

But we are pleased that these children are here in our country and in our home State of Georgia and in our city of Atlanta for the Olympic games, and we want them to know that those of us here, especially those of us from the Georgia delegation in Congress, have not forgotten this event, and we welcome them to these Olympic games and to our country, and we want to assure them that as this memorial is dedicated this weekend, that we will all be remembering the ones that they lost in Munich.

I thank you again for yielding me time and for bringing this matter to the attention of this body.

Mr. KINGSTON. Let me yield with pleasure to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX. Thank you, Congressman KINGSTON. I thank you for your leadership in securing this time period for Congressman DEAL, Mr. LINDER, and yourself, to highlight the importance

of the tragic events of September 6, 1972, when 8 Palestinian terrorists entered the Olympic Village in Munich and killed 11 innocent athletes and coaches that represented the State of Israel. Twenty-four years later, I commend the Atlanta Jewish Federation and each of you for your part in the Israeli Olympic Committee erecting a permanent monument to the memory and the honor of these slain Olympians, who were competitors and coaches, and, like the other Olympians, wanted to participate and make a difference in this world.

Their lives were cut short tragically in a despicable display of violence that should never be repeated. The spirit of Israel and their fine athletes live on despite these tragic events, and we here in Congress will work on antiterrorism legislation. We have already passed some bills. We will also pass others that will stop these rogue states and have them be responsible for any future acts. Hopefully with our increased security here in the United States and abroad, we will make a difference, so that such tragic events and such despicable activity will never again happen at the Olympics or anywhere else.

I will continue working with each of you for peace in the Middle East, and use our diplomatic channels and peace through strength, as the new Prime Minister discussed just here in the Chamber of the House 2 weeks ago, in how working with a strong Israel and a strong America, two great democracies, we will lead the way to peace in the Middle East and assure that our future athletes, whether they be American Olympians or Israeli Olympians, surely have the security of knowing they can participate without this kind of bloodshed.

So I have to commend you as the Georgia delegation and me as an honorary member of that delegation for moving forward with this fine memorial, which is going to be a living testimonial to their efforts, their strength, and their leadership.

I yield back to the gentleman from Georgia.

Mr. KINGSTON. We thank the gentleman for joining us tonight, and we thank you for your efforts and energy that you have put into supporting the peace process in the Middle East.

You know, the sad footnote of this world tragedy is as the world went on, there were other world events, there were other plans that were high-jacked and other people that were taken hostage and there were other sad things. But getting back to the families, what they wanted, at the time the chancellor said, ''Let's continue the Olympics, but let's fly the flags at half staff.'' A number of countries would not do that, so the mandate was lifted and flags were not flown at half staff.

Well, as respects the survivors, the families, OK. You know, it is sad, but that was not their No. 1 priority then.

But now, as these 14 children get older, there is a kind of therapeutic value to saying it would be nice if the International Olympics Committee and Juan Antonio Samaranch would acknowledge that it happened.

In a quote that I wanted to read from Mrs. Spitzer, she said:

> You know, we don't ask that they mention 11 Israelis or 11 Jews. We Jews ask that they mention the 11 athletes who came to participate in the international games with a spirit of peace and brotherhood, and went home in coffins.

What they wanted the other night in Atlanta was not even a moment of silence. They just want it to be acknowledged that these kids, these families, had come, incidentally, not on their government, but by their own paycheck, with their own money, out of pocket, had come just to mention. And they sat there disappointed as Sarajevo was mentioned, and yet, nothing. And I believe that that is why this memorial dedication in Atlanta by the Atlanta Jewish Federation on Sunday is so important, just to let them know that the world cares and that we do love them and that we do respect them.

I know, having had death in my family, that there is certain therapeutic value to rituals, certain comfort in human acknowledgment of that tragedy. The families, Mrs. Romano, Mrs. Spitzer, and the other five widows, have tried for over 20 years now, the Montreal games, Russia, Los Angeles, Barcelona, Sarajevo, now Atlanta, just for something, just to let us know. It is important.

We are spending now, and I believe it is correct, $46.5 million on security. I do not want that, and I do not think they want that, to be the only legacy of Munich. They want something a little bit more, peace.

I think it is positive that Palestine is participating in the Olympics. That shows that the peace process that we all support is moving forward. This is not trying to rehash that. This is just saying, let us move on, but you have got to acknowledge it happened.

□ 2015

Mr. LINDER. Will the gentleman yield?

Mr. KINGSTON. I will be glad to yield.

Mr. LINDER. I am pleased that the Atlanta community and Atlanta Jewish Federation is seeing fit to make a memorial to this occasion at this Olympics at this time. But how many memorials must there be? How many more opportunities to shed tears over the deaths of innocent Israelis and Jews must we have before we get real peace?

All of us who sat here in this Chamber and heard Prime Minister Netanyahu deliver probably the most bold speech I have ever heard in this Chamber since I have been here, are encouraged by his commitment to building Israel. But I have been there, and you cannot go through those streets in Jerusalem and not feel the vulnerability of this Nation and the anger of their neighbors. We should all go there, often.

How many more memorials do we need? Since the peace process began on the south lawn of the White House and the great handshake occurred, more innocent civilian Israelis have been murdered than in all the rest of the history of Israel. These brave athletes who just came to Munich in 1972 to celebrate a wonderful international experience, with their talents and their practice and their training, were gunned down, and they are only fit in a long line of those who have been gunned down in the Middle East over this very serious problem.

It is to be hoped that this effort on behalf of the Jewish community in Atlanta will lead to broader efforts across the country; that we will not begin to think that this is just one more memorial in the history of memorials but this may be the beginning of the end of memorials.

We are moving toward the process of peace in the Middle East. We have much more to go, but when they gun down innocent athletes in innocent games in the pursuit of athletic prowess and it does not get recognized, we make a mistake.

I am proud of our Jewish community in Atlanta, and I hope that other communities across the country will understand that these games are more than just games, they are opportunities to put aside anger and bitterness and fighting among parochial groups of people and begin to put together a real peace in which innocent people do not continue to die.

I congratulate the community in Atlanta for what they are doing. I hope it will be emulated across the country. I yield back.

Mr. KINGSTON. I thank the gentleman.

Mr. FOX of Pennsylvania. Will the gentleman yield?

Mr. KINGSTON. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. In hearing Congressman LINDER speak, it does make a very poignant footnote, in that how many times and places can there be for international cooperation and international dialogue? Here we have the Olympics every 4 years. We have international associations meeting in different countries.

There was an expectation in that September 1972 in the Olympic village that the athletes of each country would be protected, would be secure, would be able to participate and meet other athletes and talk about life's dreams, but these 11 individuals from Israel will no longer have that opportunity, and their lives were snuffed out.

I am hopeful, as you are, that similar celebrations of memorial and similar events as are taking place in Atlanta on July 28 will take place in every State across this country, so that the lessons that should be taken from these tragedies will not be repeated, so

that those of us who can make a difference in bringing about peace in the Middle East will make that the legacy of these heroes from Israel.

I yield back to you, Mr. KINGSTON.

Mr. KINGSTON. Mr. Speaker, it has been said that friction between nations and people and different philosophies can often be brought down by a dialogue, getting over things. There is a very touching story that happened as a consequence of the Civil War.

Atlanta was the site of probably the turning point in the Civil War when the North invaded the South and Sherman's troops were victorious and basically burned Atlanta to the ground. The highest commanding general under Sherman was a man named McPherson. He died in Atlanta, and there is a monument built to him in Atlanta, GA, that is respected by the sons of Confederates and the sons of the northern soldiers.

The story I want to tell, though, has to do with Gen. Joseph Johnston, who was defeated in Atlanta. Now years after the war, he and William Tecumseh Sherman were not buddies, but they were friends. They reconciled their differences.

When General Sherman died, his funeral was in New York. As his casket was going down the street, Gen. Joseph Johnston, southern Confederate general, took his hat off to honor his dead comrade, although on a different side of the fence. Because he did that, he later caught a cold, subsequently pneumonia, and died. On his deathbed, people said, ''Why did you take your hat off for General Sherman, our arch enemy?'' And he said, ''Because he would have taken it off for me. The war is over.''

For these family members, Munich is not over. I think it would be just and proper for the international community to acknowledge the tragedy so that they can move on and this peace process, which is so important to all of us, so important to the world balance, can go and move forward, maybe with just a little more momentum.

As I said before, let us not have the legacy to them just be increased security. Let us have the legacy to the deaths of the Munich 11 be a happier world for their children and their grandchildren through peace.

Mr. LINDER. If the gentleman would continue to yield, your bringing this to the floor tonight and your foresight to precede the celebration or the ceremony in Atlanta at 7:30 on Sunday night may be enough, it is to be hoped, to spur the Atlanta Committee for the Olympic Games to correct a wrong.

We know that this is a very large enterprise with 10,000 or 11,000 athletes and 2 or 3 million people in our city, and the world focused on it. It is understandable if some things have slipped by and not been noticed by the planners who have been working long days for long years. But it is to be hoped that perhaps your bringing this to the floor of the House and our airing the concerns of the family members, the 14 family members, about their 11 parents from the 1972 Olympics will come to their attention and will, indeed, have the opportunity, we have enough days left in this Olympics, to perhaps allow the Atlanta Committee for the Olympic Games and the International Olympic Committee to find a spot in the closing ceremonies to close the door, to give honor and credit and attention to those who tragically died 24 years ago.

I would hope that those who are watching will make contact with the committee. There is plenty of time to find a small opening in those marvelous closing ceremonies, which will be, I am certain, at least as exciting as the opening ceremonies, and perhaps we can close this door and put to rest and put to peace the concerns of these family members.

I congratulate the gentleman for bringing this to the attention of the Congress and thank him for his perspicacity.

Mr. KINGSTON. I thank the gentlemen from Georgia, Mr. LINDER and Mr. DEAL, and the gentleman from Pennsylvania, Mr. FOX, and I thank the gentleman from New York, Mr. GILMAN, for being here.

I will close with this, an old U.S. Army tradition of the rollcall. The rollcall that they have in the Army at celebrations, not celebrations but melancholy tributes, they call the roll of their fallen comrades. I will close with that, and then I want to yield the floor to the gentleman from Utah.

Berger, Friedman, Guttfreund, Halfin, Romano, Shapira, Shorr, Springer, Slavin, Spitzer, Weinberg.

Mr. GINGRICH. Mr. Speaker, I want to take this opportunity to remember the 11 Israeli Olympic athletes and coaches who were victims of terrorism on September 6, 1972, during the Olympic games in Munich, Germany.

On Sunday, July 28, 1996, the Atlanta Jewish Federation along with the Olympic Committee of Israel will host a memorial service honoring the Olympic competitors who were killed by terrorists in 1972. During this occasion, a sculpture with an eternal flame, the Olympic rings, and the names of the victims will be unveiled as a reminder of the tragedy and loss suffered on that dreadful day 24 years ago.

We remember again today the families and friends of these athletes and coaches who suffered such a terrible loss at the hands of ruthless terrorists.

Mr. ZIMMER. Mr. Speaker, I thank my colleague, Mr. KINGSTON, for arranging this special order. As the hosts of the Centennial Olympic Games, we join the world in celebrating the dedication, camaraderie, and spirit that marks these competitions. At the same time, we cannot forget the horrible tragedy that befell the 11 Israeli athletes who were slain at the hands of terrorists during the 1972 Munich Olympics. Since that time, the International Olympic Committee has been beseeched by relatives to memorialize their fates—as well as the courage and determination that brought them to Munich in the first place. Because they have not yet been successful, I would like to lend my own support to their efforts.

I would like, as well, to commend the Atlanta Jewish Federation, which has stepped in to arrange the first-ever memorial service for the 11 Israeli athletes during the celebration of the current Olympic games. They plan an evening of services and dedication of a memorial sculpture this Sunday.

As my colleagues know, I have been among those in Congress who have repeatedly warned of the threat posed by terrorists to the peace and security not only of Israel but of the world. It is my hope that we will always remember the courage and decency of those 11 Israeli athletes; that their spirit will forever prevail; and that we as a world community will do whatever lies in our power to ensure that terrorism will not prevail.

Mr. KINGSTON. Mr. Speaker, I submit for the RECORD additional information on the Munich 11 memorial:

THE MUNICH 11 MEMORIAL

On the evening of Sunday July 28, 1996, the Atlanta Jewish Federation will be hosting, on behalf of the Olympic Committee of Israel (OCI), a gala reception for representatives of the IOC, National Olympic Committees and the Israeli Olympic Team. Preceding the reception will be the first-ever memorial service for the 11 Israeli athletes and coaches who were killed by Palestinian terrorists in the 1972 Olympic Games in Munich (the Munich 11). Family members of the victims were invited by the Federation and will be in attendance for the service and the dedication of a memorial sculpture.

The three-foot sculpture, which will be unveiled for the first time at the July 28 service, incorporates an eternal flame, the Olympic rings and the names of the victims. As the Olympic rings reflect on the mirrored stainless steel base of the sculpture, the viewer will see eleven rings, symbolizing the fallen athletes and coaches. Quite literally, the mirror creates a reflection on past Olympic games, but also projects the positive image of the Olympic spirit in the future. The names of the athletes and coaches are carved into the sculpture's base in English and in Hebrew and are accompanied by their event symbols. Within the center ring will burn an eternal flame, to be lit by one of the family members of a slain athlete.

There will be a media room at the July 28 event for interviews with the family members, Israeli dignitaries and members of the Israeli team. Pre-event media clearance is mandatory for attendance.

For more information about the Israeli Olympic Team, the Israeli Olympic Team Reception or the Munich 11 Memorial, or to obtain media clearance, please contact Lynne Tobins at (404) 870–1860 or for time-sensitive inquiries, (770) 379–9439.

The Atlanta Jewish Federation, the primary fundraising, budgeting, social planning and community relations body for Atlanta's 70,000-plus Jewish community, supports over 300 social and humanitarian programs each year in Atlanta, Israel and 58 countries around the world. Remarks given by Stephen Selig, President, Atlanta Jewish Federation at the July 22 press conference held at the Israeli Consulate for the children of the Munich 11:

''I am Stephen Selig, president of the Atlanta Jewish Federation. I'd like to extend a warm welcome to the families of the Munich 11.

''This is an historical time for the Jewish community of Atlanta. Not only have we opened and dedicated the Federation's beautiful new building. The Selig Center, we have been proud to take part in the once-in-a-lifetime experience of hosting the world for the Centennial Olympic Games. The Atlanta

Jewish community is also proud to do what is right—what is appropriate—for a community to do. We are stopping for a moment—amid the festivities and celebration—to remember the 11 athletes and coaches who were slain in the 1972 Munich Games.

''We join the families of the Munich 11 in their guest to keep the memory of this tragedy alive. On Sunday, July 28, the Atlanta Jewish Federation will hold a memorial service and dedicate a commemorative sculpture which will remain a permanent part of the Selig Gardens and will ensure that even as the world celebrates the triumph of the human body and spirit, it will never forget the need for vigilance against terrorism and hate. We are pleased that the International Olympic Committee has agreed to participate in this memorial service and dedication.

''I'd like to invite all members of the media to join us, so they can help us convey to the world that what happened in Munich must be properly acknowledged and never forgotten.''

OLYMPIC MEDIA ALERT

IOC TO PARTICIPATE IN MUNICH 11 MEMORIAL

For the first time in 24 years, members of the International Olympic Committee will attend and participate in a memorial service and commemorative sculpture dedication for the 11 Israeli athletes and coaches killed by Palestinian terrorists in the 1972 Munich Games.

Children of victims, ACOG representatives, Mayor Bill Campbell, Israeli dignitaries and Israeli Olympic Team also to attend.

Memorial and dedication to be hosted by the Atlanta Jewish Federation, July 28, 7:30 p.m. at the The Selig Center, 1440 Spring Street, Atlanta.

Memorial attendance by invitation only. Pre-event media clearance is mandatory for attendance. Media asked to arrive between 5 and 6 p.m. for security clearance.

[From the Atlanta Journal-Constitution, July 23, 1996]

WHEN SILVER ISN'T ENOUGH TO TAKE HOME

(By Peter Kent)

In an instant, Yael Arad was transformed from a judo player into a national hero. With her silver medal in Barcelona, Arad became the first Israeli to ascend the medalists' podium.

A child of Israel—a sabra—the 29-year-old with eyes that burn with searing intensity changed the history of her nation. Arad's triumph in 1992 laid to rest the past, celebrated Israel's present and set a course for the country's athletic future.

For Arad, second place is not good enough. She returns to the judo mat today seeking what eluded her. Gold. Not for herself, but for her country and for those who died in Israel's lifelong struggle for survival.

Yizkoi is the Hebrew word for ''remember.'' It is also the name of a Jewish prayer, a version of the Kaddish, the mourners' prayer. In one of Judaism's most moving prayers, the living honor the dead by being worthy descendants of Abraham, Issac and Jacob, proclaiming their faith and their vow to never forget. Exodus. The Diaspora. The Holocaust. Munich.

Arad was 5 years old in 1972, hardly old enough to understand the horror of the attack by Black September terrorists on the Israeli Olympic team, which killed 11 of her countrymen. As she grew, the tragedy of ''The Eleven'' was passed on to her as part of her nation's history.

In 1992, before leaving for Barcelona, Arad met with many of the families of the 11 Israelis who died in Munich. She dedicated her Olympic performance to their memory. Arad was determined to win a gold to honor them. It was not meant to be.

Fighting through the ranks, Arad reached the final against France's Catherine Fluery. They fought to a draw, and the judges declared Fluery the winner. At the medal ceremony, Arad wept joyous tears for what she had accomplished for Israel, bitter tears for having fallen short of her goal.

''[It] was the biggest disappointment I've ever had in my life, to lose the final,'' Arad said. ''It's not what I wanted. I wanted to see my flag, to hear my anthem.''

For Israelis, Arad's silver was as good as gold. The desert nation's 40-year Olympic drought ended. She was awarded $80,000 and was given a shiny new red Alfa Romeo. Arad went from a celebrated judo player to a sought-after celebrity for everything from talk-show spots to product endorsements. ''For two or three months, I couldn't step out of my house. People hugging and kissing me in the street,'' Arad recalled.

More importantly, Arad's victory reforged the chain that linked Israel and the Olympics. For 20 years, to speak of the Olympics was to bring to mind Munich. Arad created a new connection, one of joy to balance against past sorrow.

''Maybe now we can say, if it is possible, that we have avenged this murder,'' she said at a post-medal ceremony press conference. ''I think we owe it to the families and the people of Israel. We'll never forget it, but maybe today it is something that will close the circle.''

This year, another tragedy struck Israel. The assassination of Prime Minister Yitzhak Rabin deeply affected Arad. After Arad's effort in Barcelona, Rabin sent her a telegram that read, ''Congratulations, Israel thanks you and is proud of your performance.'' The two became friends as they worked together to improve funding for potential Olympians. She has dedicated her performance in Atlanta to his memory.

A sports celebrity is something of a luxury for Israel. In the 48 years since the country's creation, Israelis have had to devote themselves to the hard work of nationhood. The obligation to serve in the army comes at the moment when young men and women are at their physical prime, putting off any hopes of sports achievement. The nation needed professionals and workers in a host of economic fields more than it needed athletes in track and field.

While a new Israeli government has sparked uncertainty, Israel is prospering and at peace—for the moment at least. It can afford to indulge in the national pride that comes from winning sporting events.

As Israel prepares to celebrate its 50th anniversary. Arad symbolizes how far the country has come. A new generation of Israelis is rising to define the character and aspirations of their nation, and Arad is an inspiration. Her achievement has planted the seed of Olympic dreams in many Israeli youngsters.

And what of Yael Arad's future? There are the Yael Arad Foundation and her projects to increase private and public funding for sports. Last year, she married. It is time for her to get on with her life.

This will be Arad's last Olympics, almost certainly. Age, injury and commitments slow her down, Still, she cannot be discounted here.

''When people and children [in Israel] think about sports, they know sports are for winners,'' Arad said.

[From the Atlanta Jewish Time, July 19, 1996]

MUNICH'S COLD SHADOW

A surge of pride swelled through the small crowd of Jews at the Olympic Village on Sunday morning as the Israeli flag was raised. Equally, a tide of anger went through them and many others when the Olympic committee this week again refused to host an official memorial for Israeli athletes slain at the 1972 Munich games. Yet, at presstime we learned that it would be formally represented at an Atlanta Jewish Federation memorial. Our hearts go out to the children and wives of those sportsmen, many of whom are guests of our community during the games.

Also this week, the International Olympic Committee balked at Israel's last-minute complaint about a delegation from ''Palestine,'' which indicates an independent country. IOC Director General Francois Carrard accused the Israeli government of playing politics by doing this so close to the games' start. But we weren't doing so two years ago when we called and faxed the Olympics headquarters in Lausanne, Switzerland about this matter. Mr. Carrard is simply, like the sneakiest of teflon politicians, ducking the issue.

For the record, we have no problem with a Palestinian delegation. The Palestinian Authority exists and there is an irrefutable sense of nationalism among the Palestinian people. We hope that the Palestinian Authority understands that seeing the flag here is the result of progress in the peace talks.

But for the moment, Palestine does not exist. Referring to the Palestinian movement as such is a blatant political act.

The Atlanta Jewish community is keenly aware of the emotions that the Israeli children and widows of the 1972 competitors feel about this and of being denied a memorial ceremony. We are extremely proud that our community has launched the first large effort to commemorate the tragedy that befell Israel, and by extension the Jewish people, 24 years ago.

One event will be open to the public—this Saturday morning's commemoration at Ahavath Achim Synagogue. We hope that those who cannot attend say their own prayers for Israel's fallen. The other will be a private affair at the Federation. There, a permanent memorial statue, subsequently open for public viewing, will be dedicated.

One day, perhaps, the IOC will learn that politics is not behind remembering Munich's chilled shadow on the Olympic movement and what it means to Jews. The IOC made a gross error in 1972 and the following games by not formally facing the horrors of 24 years ago. And it mocks all Jews when it accuses Israel of politics without owning up to its own version of playing that game.

[From the Altanta Journal/Atlanta Constitution, June 29, 1996]

FAMILIES MAKE GAMES VISIT TO HONOR SLAIN ISRAELIS

(By Mark Sherman)

Fourteen children and two widows of the Israeli athletes killed at the Munich Olympics in 1972 will visit Atlanta during the Summer Games to serve as a reminder of an event that Olympics officials have no plans to commemorate, Israeli Consul General Arye Mekel said Friday.

Ankie Rechess, whose husband, Andre Spitzer, was the Olympic fencing coach, and Ilana Romano, who was married to weightlifter Joseph Romano, will lead the delegation, which will take part in various events arranged by Atlanta's Jewish community, Mekel said.

The group will attend the Opening Ceremonies July 19 and participate in a synagogue service the next day, he said.

''It is important that the international Olympic community and the Olympics in Atlanta do not forget the terrible tragedy that

happened within the Olympic Village some 24 years ago,'' Mekel said.

Palestinian terrorists invaded the village in Munich in 1972, eventually killing 11 Israeli athletes and coaches.

This year's Games have added meaning for the Israelis, because they will be the first to include a Palestinian team.

Rechess has fought unsuccessfully for Olympic recognition of the Munich massacre for the past 20 years, asking that at least a moment of silence be observed at every Olympic Games.

The International Olympic Committee's official commemorations have been dedications of artwork in Munich and at the Olympic museum at the organization's headquarters in Lausanne, Switzerland.

[From the Atlanta Journal/Atlanta Constitution]

ISRAELI'S MOMENT NEVER CAME

(By Mark Sherman)

For Moshe ''Moony'' Weinberg, it was a double dose of joy. He watched a mohel circumcise his newborn son, Guri, in the Jewish ritual traced back to Abraham.

The next day, he kissed his wife goodbye and joined the Israeli wrestlers he was going to coach in the 1972 Olympic Games in Munich.

''I was mad at him because he left me with this baby,'' his wife, Mimi Weinberg, recalled. ''He said, 'I promise you, this is it,' He was right.''

She and her son, now 23, heard the worshipers at Atlanta's Congregation Ahavath Achim chant the mourner's kaddish Saturday for Weinberg and his 10 teammates who were killed by Palestinian terrorists in Munich.

The Weinbergs are in Atlanta as part of a delegation of relatives of the victims of the Munich massacre, the ghastly attack that cast a pall over the 1972 Games. Two Israelis were killed in the Olympic Village dormitory, which was invaded by terrorists Sept. 5. Nine others died at the airport when a German rescue effort went awry.

The crash of TWA's Flight 800 last week, while not yet classified a terrorist attack, brought inevitable comparisons to the Munich killings, especially because the air disaster came in the days leading up to the start of the Atlanta Olympic Games.

The Israelis who traveled to Atlanta attended Friday's Opening Ceremony hoped to hear words of sorrow or remembrance or reconciliation from Olympics officials, who have never used the world stage of the Olympics to commemorate the darkest hour in the history of the Olympics.

The presence of the first Palestinian team to march in the parade of nations and take part in the Games added a poignancy that the Israelis felt Olympics officials could not, would not, ignore.

''Alas, it was not to be,'' Rabbi Arnold M. Goodman told the worshipers Saturday.

ACOG President Billy Payne said the Opening Ceremony would pay tribute to all past hosts of the Summer Games, including Munich. Indeed, a runner bearing a Munich flag joined other runners representing the other Olympic hosts.

And among the medal winners recognized during the ceremony was Mark Spitz, the American swimmer who captured seven medals in Munich.

In 1972, Spitz, who is Jewish, was put under heavy guard following the attack and spirited away from the city.

The Israelis sat in the stands Friday night but heard just those two references to Munich.

The IOC hews to its line that politics are not part of the Olympics. When Israel complained a week before the Games began about the Palestinian team's use of the name ''Palestine,'' Carrard dismissed the objection as ''last-minute politics'' and said the IOC would not bow to such political pressure.

Ankie Rechess was in Munich in 1972, accompanying her husband, fencing coach Andre Spitzer.

Rechess, a television news reporter, has been a leader in the effort to win Olympic recognition of the massacre. ''We will never forget the transformation of the world sports arena into a slaughterhouse,'' she said at Saturday's memorial service.

Rechess and the others initially asked for a moment of silence for the killings, which as she said, ''took place within the Olympics themselves.'' they would have settled for any mention at all.

''They say they don't want to put politics in it,'' said Guri Weinberg, an actor living in Los Angeles.

But he said he felt a moment of hope Friday when IOC President Juan Antonio Samaranch mentioned rebuilding athletic facilities in war-ravaged Sarajevo, which hosted the 1984 Winter Games.

''He was talking about Sarajevo, but he couldn't say one word about athletes who were murdered?'' Weinberg asked.

Before the healing could begin, there has to be some pain.

Members of the Israeli Olympic team, what was left of it, gathered at the Tel Aviv airport Sept. 7, 1972, dressed in the same white hats and blue blazers they wore in the Munich Opening Ceremony.

The occasion was the funeral of 10 of the 11 slain Israelis. One, David Berger, was buried in the United States.

Oshrat Romano was just 6 years old and so she wasn't at the funeral of her father, weightlifter Joseph Romano. He was the first Israeli killed.

''My mother went to the airport thinking she would find two coffins, of Romano and Weinberg, the two Israelis killed in the Olympic Village,'' Romano said. ''She saw 11. She was shocked because she didn't know about the others.''

Meanwhile, in Cairo, Egypt, five terrorists who died in a gunfight with German police at the airport were mourned in mosques as martyrs, according to news accounts.

The children of the Israelis grew up ''under the shadow of the Olympics,'' Rechess said. Most had only dim memories of their fathers and some, like Weinberg, none at all.

''I heard stories, always stories,'' he said. ''It was always, 'Did I tell you the story?' And it was always, 'Yes, about 20 times.' As a child I didn't understand what had happened. I only knew I had a mother and no father. There was no money, and we were trying to survive. As a little kid you don't know what's going on, and then when you grow up, everyone expects you to handle it and you don't know how to handle it.''

Weinberg has never visited Munich and thought for a long time before deciding to come to Atlanta. He is here, he said, because he has spent his life ''living under a black veil of what happened, and you're always trying to lift it.''

When President Clinton addressed American athletes Friday, he told them of a Palestinian man in the Olympic Village who said the Palestinians had a team at the Olympics for the first time because of the United States and its role in the peace process.

The entrance of the team in the Olympic Stadium was a vastly important symbolic moment for Palestinians, one that gave them a stamp of legitimacy.

The relatives of the Munich dead approached the moment with trepidation, torn between the pageantry of the ceremony and the inescapable desire to hold all Palestinians responsible for what happened to their husbands and fathers.

''You don't know how to feel,'' Weinberg said. ''Its a weird situation.''

Ultimately, he said, he feels no ill will toward the Palestinian athletes. ''They didn't go kill my father,'' Weinberg said, his piercing blue eyes looking squarely at his questioner. ''They're athletes, not politicians just like my dad wasn't a politician.''

For Romano, Friday's ceremony was a chance for her and her mother and two sisters to think about her father. ''We saw one team that reminded us of the pictures of our delegation in Munich.''

She said she shared the ambivalence many in her group felt when the Palestinians marched around the stadium. ''We felt something, but I don't know how to explain.''

Then, she added, ''They are one delegation like the others.''

Nearby, one of her sisters held Romano's 2-year-old son, predictable restless after a long worship service.

The boy is named Asaf Yesef, his second name for the grandfather he never knew who was killed at a time when a team from Palestine was as distant as the boy's birth.

Mr. KINGSTON. Mr. Speaker, I yield the floor to the gentleman from Utah [Mr. HANSEN].

SECRETARY BABBITT'S STRAINED RELATIONSHIP WITH CONGRESS

Mr. HANSEN. Mr. Speaker, I appreciate my friend from Georgia and the kindness and courtesy he has shown me in allowing me to use part of his hour. I appreciate the sensitive nature of the issue which he has been discussing, and many folks realize that in 2002 Utah will also be a recipient of the Olympic games.

The thing I would like to discuss tonight is predicated on the idea that I chair the Subcommittee on National Parks, Forests and Land in the Committee on Resources, and I have been very disturbed, more so than in the 36 years that I have been an elected official. I have never been more disturbed with an individual as I am with the Secretary of the Interior, Mr. Bruce Babbitt. I would like to go over some of the problems that we are experiencing here in Congress in our relationship with the Secretary.

Over the last 3 years, the travels of Secretary Babbitt have been quite impressive. In fact, he has spent over 40 percent of his time in office crisscrossing this country. Many of those trips consisted of politically inspired activities of the highest order, including photo-ops and rigged roundtable discussions to get President Clinton reelected by distorting the Republican record.

Every Secretary plays politics for their President, you say? Well, this Secretary's political trips have included mistruths and distortions like no other. This has, in turn, allowed neglect of management problems at the department to fester. In some instances, it has resulted in the Secretary failing to meet his legal obligations to Congress.

In addition, it has recently come to light in press reports that the Secretary's trips in 1995, the start of his

''Natural Heritage Tours,'' were part of an orchestrated effort engineered by the White House and its allies in the environmental community. In other words, raw politics plain and simple.

Earlier this year, while the Secretary was campaigning across the country, doing the bidding of the Clinton-Gore 1996, the Committee on Resources Chairman, the gentleman from Alaska, Mr. DON YOUNG, discovered that the Department of the Interior had failed to ask for or receive reimbursement for costs stemming from appearances by Babbitt on behalf of Democratic candidates during his travels.

Under a policy that each White House has used for decades, the Government must seek reimbursement from each campaign for that portion of the Cabinet Secretary's travel related to a political event. Yet the Department of the Interior failed to bill a single one of the campaigns or organizations until Chairman YOUNG began an investigation into the travels of Mr. Babbitt.

These costs stem from two dozen mixed trips, part political, part official, involving 35 events for campaigns or political organizations that Mr. Babbitt took in 1994 and 1995. This includes 4 organizations and 28 candidates. Virtually none of the campaigns were billed until March or April of this year.

The administration claims that as of June 15, 1996 all campaigns have reimbursed the Government. This complete collapse of the billing process resulted in at least one case, that of a gubernatorial candidate in Nebraska, where the campaign's address was no longer valid by the time the department billed it. In the real world, what kind of business could get away with not collecting money owed it for so long? This would be unheard of.

Yet, what did Mr. Babbitt and his propaganda machine do when they were caught? Listen to this. They blamed failure to reimburse campaigns on a young special assistant in the Secretary's office. Well, all I can say is, thank God Bruce Babbitt is not in charge of the Department of Defense. Imagine what kind of excuse that would be in that big organization.

Chairman YOUNG and the gentleman from California, Chairman HORN, of the Committee on Government Reform and Oversight, have asked GAO to look into what went wrong with the reimbursement process. The total cost of these trips, both political and official, have been estimated at well over $100,000, including costs of staff, meals, lodging and transportation.

He is at it again. Even as we speak, today he appeared in Portland and Eugene, OR, attacking Republicans on the Clean Water Act, a law which he has very little jurisdiction over. While Mr. Babbitt was canoeing at the taxpayers' expense today, a senior official from the Fish and Wildlife Service testified on Capitol Hill that if the $386 million maintenance backlog that has accumulated in wildlife refuges to date were the responsibility of a private company, it would be bankrupt.

□ 2030

As if irresponsibility was not enough for Secretary Babbitt and his staff, they have, like their teachers at the White House, continued to obstruct the Committee on Resources Republican efforts to get the truth about the nature of Mr. Babbitt's travel conduct. In a letter earlier this year, Chairman YOUNG sent several follow-up questions to the Secretary regarding the reimbursement issue. Yet, Secretary Babbitt refused and continues to refuse to answer several questions posed in that letter.

Of particular importance to the American people, we believe, is his refusal to provide the chairman with documents regarding direct communications between the Secretary and the White House regarding the Natural Heritage tours.

This conduct is particularly troubling now in light of media reports which indicate Mr. Babbitt was personally involved in White House orchestrated efforts to attack Republicans on environmental issues for political purpose through creation of the Natural Heritage tours. These reports indicate that Mr. Babbitt and the President discussed the political impact of the Secretary's attacks.

Also of note is Mr. Babbitt's credibility regarding the planning of the Natural Heritage tours. For instance, Mr. Babbitt said in his March 21 letter to the chairman that the Natural Heritage tours were not planned in advance; however, the evidence suggests otherwise. In addition to media reports, the Secretary and the staff words speak for themselves on June 12, 1995, in Inside Energy, the following was reported, ''Interior Secretary Bruce Babbitt is committed to visiting various regions of the country during the coming months to make a case against the GOP-led congressional assault on environmental programs, a department spokeswoman said. Babbitt plans to travel at least twice a month on what the department is billing as a Natural Heritage Tour to talk about environmental success stories, the spokeswoman said.''

In a speech on December 13, 1995, in which the Department paid to put the speech on the AP wire, the Secretary said: ''On Earth Day 1995, I set out on a journey, a series of 11 Natural Heritage Tours all across this country.''

''And while in the 1994 election campaign, the environment was not an issue, I can assure you, by November, 1996, in each county, State, congressional, and in the Presidential election, the environment will be right at the core of every single debate.''

In the press conference a short time later, Mr. Babbitt went still further and personalized the issue. In response to a question regarding environment as a political issue, he said: ''I absolutely intended to make it a political issue.''

So there you have it. The Secretary admits to playing politics as he continues to state mistruths about Republican positions.

Tonight we will begin to discuss the true size of the mismanagement at the Department, the scope of the misstatements, and give a distortion-free look at the misguided policies.

Secretary Babbitt has been running around the country claiming that the Congress is engaged in some attempt to close down or auction off units of the Park System.

However, his own director of the Park Service has testified under oath, when I put him under oath, that he was unaware of any bills that would auction off or close down the park system. Further, Director Kennedy states that he was not aware of a list contrary to what the Secretary of the Interior said, about the Park System being closed.

While the 104th Congress has taken no legislative action to close down any unit of the Park System, the Secretary has already closed some areas and is considering closing numerous park areas.

Last year, while leveling unfounded attacks against Congress claiming that this budget resolution without the force of law would have closed 200 park areas, the Clinton administration announced plans to close three parks in the Washington area. Again in the fiscal year 1997 budget submittal for the Park System the administration has begun to withdraw all funding for these three park areas.

At the same time, the Secretary is considering turning over as many as 30 park areas to Native Americans. These are not small isolated park areas but some of the best known parks in the country. According to an internal National Park Service document dated November 1995, Secretary Babbitt has under consideration turning over to Indian tribes such areas as the Redwoods National Park, Great Basin National Park, and Lake Clark National Park.

Just 2 months ago in May, the Secretary turned over management of City of Rocks to the State of Idaho.

Do any of Secretary Babbitt's park closures have public support? No one really knows since none of them have been subject to public review or scrutiny.

Further, last year during the lapse in appropriations, Secretary Babbitt shut down every single concession in the National Parks and closed off access to millions and millions of persons. By comparison, bless his heart, Secretary Glickman of the Forest Service did not shut down a single concession on Forest Service lands even though he had no budget.

Well, what is clear is that they are duplicitous at best because the Secretary is so busy running around the country claiming that Congress in attempting to close parks because the Committee on Resources reported a bipartisan bill which requires a public review of the National Park System.

As further evidence of his desire of this administration and Secretary Bruce Babbitt in particular to play politics with parks and disrupt the lives of persons who wish to visit and enjoy our Federal lands, consider how the Secretary has dealt with park concessioners.

The Assistant Attorney General memorandum of August 16, 1995 provides guidance on the scope of permissible Government operations during a lapse in appropriations, including explicit detail on the process to be used in determining who are the emergency employees which should be retained on duty during a budgetary shutdown. The memorandum states that such a determination should be made on the basis of assuming the continued operation of the private economy.

The opinion goes on to State that such an assumption is the reason for determining that air traffic controllers, Federal meat inspectors, and other such personnel are emergency.

Using those criteria in the Attorney General opinion, Secretary Babbitt could permit the private businesses which operate park concessions to remain open to serve the public, and then declare those persons necessary for safe operation of the concession as emergency personnel.

That is precisely what the Forest Service has done. Not one single Forest Service ski area, resort, or even a single outfitter or guide on Forest Service land has been told to shut down. Every single one of them is open, serving the public as we debate this bill today.

Even the concessions at the Smithsonian Institution remain open on the same basis.

However, Secretary Babbitt is so driven to public disservice that not only has he shut down park concessioners, but last week he tried to get the Forest Service to close all their ski areas and other concessions fearing it would expose his unnecessary closure of park concessions. I pay strong tribute to the former Member of this body, Agriculture Secretary Dan Glickman, for rejecting those attempts by Mr. Babbitt to further disrupt the American people and attempting to serve the public in the best possible way during this difficult period.

There is one final irony to this issue of closing park concessions. Secretary Babbitt has closed these concessions primarily because he felt he did not have adequate personnel on duty to supervise their safe operations.

Yet, when we, our committee, called a dozen parks around the country during the shutdown last November, we found just as many park rangers on duty during the peak of that shutdown as there was prior to the shutdown. The only difference was that none of these rangers were serving the public because the parks had been shut down by Secretary Babbitt.

I hope this country will never again have a Secretary of the Interior so driven to public disservice as Secretary Babbitt, but as long as there is the possibility that we will have another Secretary more interested in playing politics than carrying out his duties and serving the public in the best way possible, this legislation is essential that we are working on.

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

MAKING POLITICS FOR THE RICH ONLY

The SPEAKER pro tempore (Mr. CAMPBELL). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, today the common sense of the ordinary American people came home here to the Chamber, and a fraudulent campaign reform bill was voted down by the majority of the Member of this House. It was a fraudulent bill. It was an insult. It was an insult to common sense, and I think most of the Members joined the American people in exercising some common sense.

It was a bill to make politics the province of the rich in America. Under the guise of campaign reform, we would have had advantages all given to the richest Americans while disadvantages would be compounded for the poorest. I think that the majority of the Members did not see themselves going back and facing their constituents with that kind of fraudulent construction. So common sense came home and common sense is rising from the great masses out there and more and more is beginning to infiltrate into Washington and infiltrate into this Chamber. People are beginning to understand that the mass of Americans have this quality of understanding of what is really going on.

They understand that they are in an economy which is booming for a handful of people, relatively speaking, the top 20 percent in America, while it is stagnating or even declining for the bottom 80 percent. They understand this. There is no way you can get around that with your statistics and your charts and your graphs. That cannot get you around the basic common sense understanding of the people of this Nation that the economy is locked into a number of contradictions.

They understand that something different ought to be happening. They do not know what it is, but they understand.

They understand that the Republican majority which came into power at the beginning of this session has moved in very extreme ways to make life more difficult for the average American out there. They understand this. They understand that at this point as we are nearing the end of the most active part of the 104th Congress, we still do not have a minimum wage bill. We do not have a minimum wage bill yet.

They understand something is radically wrong if you cannot increase minimum wages by 90 cents over a 2-year period from $4.25 an hour to $5.15 in a 2-year period. if we cannot do this as leaders of this great Nation in a time of great prosperity where corporate profits are higher than ever before, something is radically wrong. Common sense tells the American people something is wrong here in this Chamber.

They understand that a group of leaders who took control of Congress and chose to wage war, and I am using the Speaker's terminology, that politics is war without blood. Speaker GINGRICH has said that several times. The way this House has proceeded in the 104th Congress, it certainly is evident that there is a belief that politics is war without blood, and war is being made on the least powerful in our Nation.

The people who are the most vulnerable, the poorest, they are the victims of this war. They understand that the Republican majority first declared war on schoolchildren who needed lunches, fee lunches. Federally funded free lunches were attacked first, and the American people understand that that was the beginning of a highly visible exposure of where the mean-spirited Republican majority was coming from.

□ 2045

It was a mean-spirited act. They understood that. They understood later on when proposals were made to eliminate the Department of Education, because education is for poor people. Public education is for poor people, and for the majority of the people, the 80 percent. The preoccupation of this particular leadership in Congress is not with the 80 percent, it is with the 20 percent of the elite who can afford to to go private schools. They understand that war on the Department of Education hurt the vast majority of our people.

They understand that when you cut title I, the $7 billion Federal aid program, the only major aid program of the Federal Government that goes to elementary and secondary education, a program that impacts and has some small part of its benefits in 90 percent of the school districts in America, they understand that when you attack that kind of a program, you do not have the best interests of the average American at heart. Common sense has come home to illuminate what other people have shrouded in very complex statistics.

We have heard the majority of Republicans stand up with their charts and show how they are really not cutting school lunches. We have heard the majority stand up and say education will not suffer if you cut title I. They even went as far as to cut Head Start about $300 million. Ronald Reagan, that was one of his favorite programs. No other President since the inception of Head Start had ever proposed cuts in Head Start. In fact, as I said before, Ronald Reagan increased the Head

Start budget. But this group decided to cut Head Start. The average American out there understands what this says and what revelation this is about the heart and soul of the majority in this House.

The majority of Republicans are elitists. The majority of Republicans do not represent the majority of Americans. They understand this. Of course, I think that the commonsense wisdom of the American people came home to the majority of Republicans. They retreated. They did not cut Head Start after all. They did not cut title I by $1.1 billion. They did not cut a number of education programs, including Goals 2000, in the first budget of this session. They finally backed down. The cuts are in there again for Goals 2000 and a few other programs, but there is no proposal now to cut Head Start. There is no proposal to cut title I again.

The common sense of the American people resonated, came home, and the leadership of the Republican majority understood that. They are not tampering with education anyone. There is no more talk here in this House about the eradication of the Department of Education. There is no more talk about wiping out the Department of Education. We would be the only industrialized nation or one of the only nations in the world, really, of any substance—even the developing nations have departments of education. Whereas we do not have a Department of Education as big as Japan's or as big as Germany's or as big as France's, we do not want to have that kind of centralized bureaucracy running education in all parts of the country. We are a long ways from that, and to eliminate it totally would be to go to an extreme. Maybe France, Germany, Japan, their bureaucratic structure for centralized education departments is at one extreme, but to have none would be at another extreme.

We do not spend but 7 percent of the education budget. The only percentage of the education budget that is really covered by the Federal Government at this point is 7 percent of the total amount spent on education. That means that the States and the localities finance most of the education in America. If you want to increase the Federal participation by some additional percentage, even get it up as high as 25 percent, that 25 percent Federal participation in the funding of education would still be a small percentage. The 75 percent controlled by the State governments and the local governments would mean that just as they are putting up 75 percent of the funding, they have 75 percent of the control. If you had a greater participation of the Federal Government in the funding of education, it would not mean that education is controlled by the Federal Government. It still would be controlled by the States. It would be controlled by the localities.

So we could afford to spend much more. Not only should we not be contemplating elimination of the Department of Education, we should be contemplating a greater participation in education. I think most Americans understand that.

As the members of the Republican majority have gone home and really talked about their extreme proposals in education and some other areas, the people out there with common sense have educated them. So it goes on.

We are in a period now where Medicare cuts are still on the drawing board. I cannot say that there has been a retreat; just as they have retreated from cutting Head Start, that they have retreated from cutting Medicare. No, Medicare cuts are still on the drawing boards, and most people should understand that. Medicare cuts are on the drawing board now. They are still proposing huge cuts for Medicare. At the same time, they are proposing to give back taxes to large numbers of rich people. A large percentage of the people who pay the highest taxes will get a tax cut. The tax cut and the Medicare cut are very close to each other in terms of it is robbing one in order to fund the other. That is a fact we pointed out a long time ago. It is still the case.

So common sense on Medicare still has not come home. They still do not understand that the average American knows what they are doing when they talk about great cuts in Medicare. In the name of saving Medicare from bankruptcy, they are proposing huge cuts. At the same time, they are proposing that there be huge cuts in the taxes of the richest people. They are correlated. You do not have to be a genius to make that correlation. The American people have a grasp of that, but somehow that has not come home yet. There is a need for more people to communicate with their legislators what the commonsense position is, to let them know we understand that Medicare is being threatened, still.

Medicare is little more than 30 years old. We had this past summer a birthday party for Medicare in about 10 senior citizen centers in my district. We made up a little card, which actually had the bill, a photostat of the bill, signed by Lyndon Johnson 30 years ago.

People have Medicare very much on their minds now. I hope they still remember that the fight is not over. This present Republican budget, this present Republican-controlled Congress, in their appropriations bills they are still going after Medicare. Medicare is still on the chopping block. The commonsense wisdom has not come home to the members of the majority. They still do not understand that the American people know what they are doing. You have to talk a little louder, I guess, scream a bit.

They are obfuscating the problem with medical savings accounts and all kinds of language about going bankrupt, and they are going to save us from bankruptcy. But look at it straight. I have used several times the example of the sophomore who came home from college, and he was sitting at the table, and his very ordinary working-class father was at the table, and the other kids, and the mother was there.

The sophomore wanted to show off his knowledge of philosophy. He told his father that, really, you know, there are two chickens on this table. I can prove to you, Dad, there is not one chicken on this table, there are two chickens. I can prove that to you, Dad. It is all a matter of your a priori assumptions, and if you get into the right syllogism and we move from the hypothesis to the conclusion, et cetera, and he was going on.

His father said, wait a minute, son. Hold it for a minute. If you can prove there are two chickens on this table, why don't we just eat this one, and we will leave the other one for you to eat. That is the simplest way to solve the problem. I think that kind of commonsense wisdom is out there. It is a feature of American society. There are senior citizens who understand, you are taking our Medicare money and you are moving it to give a tax cut.

There will be another example tomorrow on the floor of the House. I understand that the comp time bill that was postponed today will be up tomorrow. Comp time means compensatory time for your overtime. A better way to state what is happening tomorrow is that the same Republicans who went after the school lunch program and the Title I program, the same Republican majority that tried to cut Head Start, the same Republican majority that went after Medicare, is still going after Medicare, they now want your overtime pay. The Republicans are coming for your overtime pay. That is what the comp time bill tomorrow is all about.

Instead of paying you for your overtime, as is done in private industry and has been done for years, and the whole economy of working-class people is structured on how much overtime can I make, how much cash can I bring home in my paycheck to pay for some shoes and to pay for a new refrigerator; you have to have cash to meet necessities, it is not a luxury, where you can afford to take it in comp time, have a bank of comp time.

You work so many hours this week, so in 6 months we will give what you accumulated this week and what you accumulated next week, give it to you all in one lump sum, and you can go off in the wintertime, when the factory is slowed down and our inventory is high, we do not need you, and we will give you time off, or you can take a long vacation. But you do not have any money.

The Republicans are coming for your overtime, because if they do not pay you cash, they may set it up so their friends, the elite that already earn the highest incomes—and the people who own the factories are not making minimum wage, the CEOs of corporations

who will benefit from this, they are not making minimum wage, they are making very high salaries—they are going to take your overtime, what they should have been paying you in cash, and keep it and invest it.

They can have a whole lot of things: Stocks can be bought, bonds can be bought, speculation; various things can happen with the money they normally shell out to you in overtime. In the meantime, you are left in anxiety about maybe you will get your overtime in compensatory time, maybe you will not, because there are no safeguards in this bill that is coming up tomorrow against bankruptcy. If a company goes out of business, how do you get your overtime? You just lost. You can go to court and sue, but try suing a bankrupt company.

Many corporations disappear. Small businesses, the smaller they are, the more likely they are to just disappear. All kinds of things happen with your compensatory time. There is no protection in the bill that is going to be on the floor tomorrow about that. It is just one more piece of evidence of the heartlessness of this Republican majority, the heartlessness which common sense can clearly understand. Nobody out there needs to be told that your overtime is needed to buy shoes, to buy the things that you need right now.

There is another provision that says, well, this is voluntary. If you work in private industry and you now are paid dollars for your overtime, you do not have to agree to a provision that you have to take it in comp time; instead of you taking dollars, you can take time off later on. You do not have to agree to that; it is voluntary.

Common sense will tell anybody who has ever worked in a real job that you do not confront your foreman or the owner of your company with an unpopular preference. One way to lose your job is to say, well, you want me to take overtime, but I choose not to, and law says I do not have to take compensatory time. I can take it in cash. How long will the employees who choose to take their overtime in cash last on the job, versus those who choose to cooperate with the management and take compensatory time?

You do not have to be a genius, you do not have to major in psychology, you do not have to study Machiavelli, to understand that here is a policy situation. The owner of the factory, the boss, is in a situation where if he says, ''I suggest strongly that you take your overtime in comp time instead of in cash,'' 99 percent of the employees who need their jobs, and most people who are working, they need their jobs, they will agree, oh, yes, we will take it in comp time.

There is a provision in the bill which says that the choice of when you take your comp time has to be mutually agreed upon by the worker and the person who owns the business or who is in charge. So how many of you think that if you choose to take your comp time in July, when your children are out of school and you want to go on a vacation and you prefer the sun instead of the snow, but the inventory is such that it is to the best interests of the company to keep you working, that you are going to work out a mutual agreement whereby the company will let you go at a time which is disadvantageous to them?

When your kids are in school in January and the snow is on the ground and you cannot take the kind of vacation you want to take, but the inventory is high, the company will choose to tell you, that is the best time for you to take your comp time. If they have this kind of wisdom that they offer you, how many employees are going to argue with the management and say, no, I want my comp time in the summertime. I want to go swimming, I want to go the beach, I want to be with my kids? How many employees, for how long, will be able to take advantage of this so-called mutual agreement, this voluntary arrangement?

If we look at the bill that is going to be on the floor tomorrow, which is a revision of the Fair Labor Standards Act, the Fair Labor Standards Act, which was established by Franklin Roosevelt under the New Deal, there are a lot of provisions in there, but one provision is clear: Anybody who works more than 40 hours during the week is eligible for overtime, overtime pay. Overtime pay is time and a half. That is cash.

□ 2100

There has a lot been made about the fact that in the public sector, municipal government, State government, Federal Government, we have comp time provisions now already. Comp time provisions are there, they have always been there because the government is not in the business of earning a profit. The government does not have any extra margin. The government for various reasons is not in the same position as private industry.

People who go into government traditionally have accepted the fact that you do not have the same provisions that you have in the private sector because the government has been traditionally a more secure place to work. Security was traded for the paycheck advantage that you have in the private industry. So having the security of a long-term Government job, having the pensions that Government jobs had, having the health care plan that a Government job had, there are a number of reasons people traded off and decided not to worry about being paid in cash.

What is happening nowadays is that the municipal systems and the State governments and the Federal Government are becoming less and less secure. We are behaving more and more like private industry, so it is probably altogether fitting and proper that we change and have government pay overtime in cash. We are going the wrong direction. We are not going to give people job security. Their pensions are no safer because we are playing around with pensions in some government units. Health care we want to tamper with. If we are going to behave as the private sector behaves, then maybe everybody should be paid in cash instead of having this tradeoff where you accept the situation of comp time. But we are going the opposite direction. We are about to move in to take the overtime away from working people in an atmosphere which is hostile.

I serve on the Committee on Economic and Educational Opportunities which is responsible for this particular provision of the law, the Fair Labor Standards Act. In fact I am the ranking Democrat on the Subcommittee on Workforce Protections which is directly responsible for this piece of legislation, and there are some adjustments that probably could be made. I do not think that we should ever pour concrete over any set of rules and regulations. I do not think we should ever be so inflexible that we cannot adjust anything. But in the present atmosphere where the Republican majority has attacked working families and workers consistently since January of 1995 when they came into power, there is no reason to believe that there is a good faith glue that might help make some of the onerous provisions of this bill better. There is no reason to take anything for granted. If you do not have protections for people who are working overtime and prefer to have cash instead of comp time, if there is no way to guarantee that they have an equal choice there and that the management cannot bully them, then why go into it? If there is no way to guarantee that they are going to be able to take the comp time off when they want to or reach some kind of reasonable settlement or agreement with the management, then why go into it? Why in a period where we have a party in power operating on behalf of an elite business community which refuses to give us 90-cent increase in the minimum wage over a 2-year period, which attacks the Occupational Safety and Health Agency, Americans across the country benefit from the provisions of OSHA. That was attacked, I forgot to mention. Very early OSHA was put under attack. One-third of the budget was cut in the bill that the President vetoed. Finally they brought the cut down. There is still less funding for OSHA now than there was before the attack was launched by the Republican majority. Davis-Bacon provisions are under attack still by this Republican majority. Why in an atmosphere where the National Labor Relations Board, they proposed to cut its budget by one-third and they backed away from that but there is a cut and there are less resources now for the National Labor Relations Board than there were before. In an atmosphere where every organ of government that benefits working people is under attack, why should we accept any proposal for a good faith effort on taking away your overtime?

The Republicans are coming for your overtime and you should be aware of that. Republicans are coming for your overtime. You should send a commonsense message to the Congress, Republicans and Democrats, that you understand what is going on.

I understand that the focus groups, the polling groups and all the experts that politicians pay large amounts of money to, they are reaching the conclusion that I discussed here 6 months ago, that common sense says we have a party in power that cares very little about working people. Common sense says that we have a party in power that wants to help the rich to get richer. Common sense says that the gap in the incomes of the richest Americans which has greatly increased over the last 10 years is not just some piece of statistics on a paper, it is symbolic of the kind of anxiety that American families feel. Common sense says that people who brought us streamling and downsizing, common sense says that the same people who are tampering with our pension funds in corporations, common sense says that they cannot be trusted to give us a new deal on our overtime and it benefit the workers. It will not benefit the workers. The workers are under attack and the tampering with the Fair Labor Standards Act that is being proposed tomorrow on this floor is just one more example of how the Republican majority has not gotten the commonsense message yet fully. They have gotten it in education, so they modified their approach on education cuts. But they have not understood that the average constituent out there understands that these are policies which benefit an elite minority. These policies which support streamlining, downsizing and now want to take your overtime pay, that is one more piece of money, pot of money that whey will have to invest. Your overtime pay, instead of being given to you, will be invested somewhere by the people who are already earning a great amount of money off their investments. Common sense says no. You need to communicate that.

They are getting the message slowly here in the Chamber. The vote on the Campaign Finance Reform Act says that it is coming home. Common sense is telling the legislators that you cannot swindle the American people. You cannot set up a system where the richest people are given free rein to spend as much money as they want to, to contribute to campaigns in greater numbers, and the poorest are confined to raising the money within their district. If you happen to live in a poor district, you are going to have to raise money just in that district. At least half of the funds have to come from there. There are various mechanisms which are thrown out there which look good on the surface, yet when you look behind it and you understand that the cap is being taken off the rich and they can spend more and more to influence the way our democracy works. It does not take a genius to understand that kind of swindle.

Mr. Speaker, I received a fax last time, I receive lots of faxes after the comments I make on these special orders, but the last time, it was very interesting, I received a fax from some gentleman who said in the fax, ''You are a true believer. You are dangerous because you really believe in what you are saying. You are naive but you believe what you are saying.'' That seems to shock him that I should believe.

That night I talked about the Families First agenda and I talked about the fact that the critical problem is jobs and the companion problem is education, the two inextricably interwoven. When I came to Congress, I asked to be placed on the Committee on Education and Labor because my district needed jobs more than anything else, and I understood that they would not be able to get jobs unless they got better education and you had to mix the two.

So I was talking about jobs and education. I talked about that segment of the Families First agenda, and he said, ''You really believe that stuff.'' Yes, I do believe it. It is not just a construct that minority leader DICK GEPHARDT put together. It is not something that is out there swinging in the wind as a slogan to attract, as bait to attract people who would vote for Democrats. It is common sense that nothing is more important at this particular juncture in our society than jobs and education, and the two go together. Nothing is more relevant than jobs and education.

I have some people in my district who talk about, you go into these special orders, what does it have to do with a poor person in your district? I have a district which is not all poor, there is some diversity, but two-thirds of the people in the district are poor. Those who are working are making minimum wage. What relevant does this speech have? Well, it has a great deal of relevance. I am concerned about jobs and the failure of our economy to create more jobs for people who are poor, who do not have education, who would have to take entry level jobs, as we call them. I am very concerned about that. I am concerned about the fact that those entry level jobs get more complicated all the time and that really if you want to help somebody to get out of poverty, they are going to have to have more education. It has a relevance to the people in my district.

The poorest parts of my district need jobs and there are ways to create those jobs, and I am concerned about the fact that what goes on down here in Washington does not address those needs. At the same time that the Republican majority was proposing to eliminate the Department of Education which would greatly hurt the people who want education back in my district, at the same time they were proposing to do that, they cut out the Department of Tourism in the Commerce Department, a very small unit. Of all the industrialized nations, we had the smallest effort going forward in terms of promoting tourism.

Tourism is a gold mine for a Nation like this which is admired throughout the world. Tourists want to come from all parts of the world. There are many municipal governments that understand this and they are working hard to attract tourists. There are many States that understand this and they are working hard to attract tourists, tourists from one part of the United States to another and tourists from overseas. Tourists are a very important part of New York City, probably the largest industry in New York City, at least the second largest. It changes. The finance sector may have the largest one year, tourism another.

But tourism is a huge industry, an industry that does not require pollution. You do not have to have big factories polluting the air. It does not require natural resources being located nearby so you can haul the iron ore and the coal and mix them together and get a product. Tourism is a very unique kind of industry which has a great growth potential in a place like New York City and most of America.

People want to see the Grand Canyon, the cities out west, small towns, all kinds of things are on the agenda for tourists within the country and tourists from outside of the country. Most people want to see America at one time in their lifetime. They cannot do it unless they belong to the middle class. The middle class groups are the only ones who have the leftover income, that discretionary income that can allow them to travel. But the middle classes across the world are increasing.

I give the example to the people in my district. It is relevant to New York residents that the tourism trade flourish, because when people come to a big city like New York, they all eat in restaurants, so the jobs in the restaurants, whether it is washing dishes or cooking, all those jobs increase; waiting tables, all those jobs increase. When people come to New York, they go to the stores and buy retail products. Those jobs increase. When they come to New York, they go to places of entertainment, small and large. Those jobs increase.

So the person in my district, whether they are uneducated and have to take an entry level dishwashing job or whether they have some skills and can take a job as a chef in a hospital, it is very relevant.

In fact, there was a young man that I have known for a long time who recently told me about his catering business. I saw him about 4 years ago and he was down and out, working hard, going to work every day, but he was depressed. Even his physical demeanor communicated depression and defeat, the same kind of defeat and depression that so many black males feel in America. There was an article in the Washington Post yesterday about suicide

among black males which was astonishing, shocking, frightening. Suicide among black males has greatly increased in the last few years. I am black, I have been black all my life, born black, and in our folk culture, we swear that black folks do not commit suicide. No matter what happens, we adjust, we cope, we love life. We do not commit suicide. Well, that is just one of those pieces of folk wisdom that has gone by the way. The statistics are there, they are horrifying, large numbers of black males are committing suicide. They are depressed. Whatever the reasons, I will not go into this point, it is a subject for a later discussion.

But here is a black male in his thirties, early thirties, two kids, a wife, going to work every day, not getting anywhere, he decided to go to school, get a food handler's license, then go further, get training. Now he is a chef, a chef at a hospital.

□ 2115

In addition to being a chef at a hospital, he is developing his own catering business. The difference in the demeanor, the sunshine that comes out of his face and the change in his voice, everything is a transformation.

He is going places, his catering business is going places. He has to rent kitchens on the weekend. In New York, they have lots of people and people are always eating, so the catering business is a good business. More tourists come, of course there will be more people who have to eat, various kinds of functions. There is a future there, great future.

So what I am saying is relevant to him. The more tourists we get, the more our economy grows, the more people there are to feed in situations which require caterers. It is relevant. Everything all falls in place.

It is relevant that he had an opportunity to go to school. He had to pay for the courses himself. He chose to make that investment, but he has become a chef. Beyond being a chef, he is going to be a businessman.

I say all this to say that the person who said to me, you are a true believer, you are dangerous, and some other people say what you say on the floor of this House, this empty Chamber, is not relevant, is very relevant. It is relevant because we are in a transition period in this Nation, and what we do here in the House of Representatives and what we do in the other body, and we are not just a few people around talking, we are very powerful people.

If you look at the 100 Members of the Senate and 435 Members of the Congress, you are talking about 535 people who are like vice presidents of the world's most powerful corporation. People like to play games out there and talk about we spend too much money on our mail, we spend too much money on our phones, we rent cars for too great an expense. They like to play around the edges and like to trivialize the Members of Congress, as they do all politicians. But we are very powerful people. We make decisions which are life and death decisions.

We are at a critical period in this country where we have people in power who are making the wrong decisions, and it is important to take advantage of the opportunity at least to have a discourse, and if you can, do nothing more than point it out and verbalize it, talk about it.

I want to talk about the great mistakes that are being made. It was a mistake to talk about abolishing the Department of Education. We have backed away from that. We abolished the Department of Tourism and the tourism unit in the Department of Commerce, how small it was, has been abolished. That was a great mistake.

We are making humongous errors in not going forward to fund higher education at a higher level, escalating level. We need to be investing tremendous amounts of money in all education, and certainly in education, in higher education, but right across the board our investment in education should be escalating instead of stagnating and actually suffering cuts in many ways. We are at a period in history where if we do not take the flood, as Shakespeare said, there is a time when you have to act.

We are at a critical period where 80 percent of the population is getting more and more anxious, and some elements of the population are getting angry. Some elements of the population are committing suicide because they are bottled up in an economy and they see plenty all around them advertised on television, millionaires and CEO's making fantastic salaries.

The anxiety and the tension is unhealthy for Americans in general. People who have something now still have anxiety because they see it slipping away.

We are in a period where we need to take a bold step and say the salvation of this society is education. The salvation of this society is an explosive investment in education which will also be followed by an explosive investment in new kinds of jobs that people can qualify for.

There have been two periods in American history where we have been fortunate enough to have visionaries on the scene and listened to those visionaries long enough to let them put in place a revolutionary concept that has transformed the nature of our society.

People do not talk much about the Morrell Act. The Morrell Act created the land grant colleges in all the States. The Morrell Act guarantees that every State would have a college, a university which was committed to practical education. The Morrell Act was a revolutionary idea.

Thomas Jefferson, when he founded the University of Virginia, spoke in terms of he would like to see every State have a university, but he was in no position to act upon it.

Morrell, whose name very few people know, the act very few people know about it, created a situation where the Federal Government invested in higher education in every State of the Union. Every State has a land grant college or university. They went beyond that and gave a mission to these colleges and universities, so the universities spawned experiments in agriculture.

Experiments that took place in agriculture in the theoretical structure of the university, and then they developed agriculture experimental stations, they developed the county agents who took what the agriculture experiment stations had learned and took it out to the farmers, into the fields, and showed the farmers how to apply it, and as a result, the one place where this Nation has been unchallenged for the last few decades, nobody comes close to America in terms of its production of food. Our agriculture industry stands alone. We have the cheapest food in the world. We export food. It all started with education, folks.

Nobody understands it is not just that our soil is better than the European soil or our rain is better. There are some advantages that a few places in the country have, but we have suffered floods and famines and all the folks' problems that they suffer in other countries, but the wisdom which led to the application of the principles learned in the classroom to experimentation and then down to the actual farmer's field, that has made all the differences in the world, the Morrell Act, an act of Congress that very few people understand which transformed education in America.

In addition to agriculture, engineering is what you will find in every land grant college. Very early they went into engineering and the kind of industrialized might that Adolf Hitler had to face when America entered the war did not happen overnight. It was built up through the complex of education institutions that had been developed long before a world war was ever contemplated by any American, the Morrell Act.

Another great revolutionary act that is not given due credit is the GI bill of rights. When the large numbers of soldiers returning from the Second World War were given the right to go to school, not just to college, but also to trade schools, not just to college, but also to trade schools, and any soldier had a right to go to school and the Federal Government would pay for most of that education, that was another revolutionary act that you do not understand. Large numbers of people were interjected in our society with educations to keep building our industrial base in very sophisticated ways.

The Soviet Union never knew what hit it when it began to rival the United States in production, in achievement, scientific engineering achievement. It had to face the combination of the Morrell Act and the GI bill of rights, a

massive infusion of dollars for education which produced the desired results, the massive number of educated people. We are at a period now where that kind of transition is what we need. So it is relevant.

Democrats talk about paycheck security, helping families to get the paycheck they deserve. They are not just talking about tomorrow's fight on the floor of the House to keep the Republicans from taking away the overtime cash payments for people. We are not talking just about that; we are talking about paycheck security in terms of providing for people to upgrade their skills, to get more education in this complex society.

Probably education has to be a permanent feature of the life of every family, of every person getting more education to stay up, to keep up. That is absolutely necessary. So paycheck security is relevant to everything else I have been talking about. It is relevant to keeping the Department of Education and the Department of Labor active so that they can stay on top: What kind of training do we need for the year 2000? How are we funding that so that it is not just an elite minority that gets help, not only people who are going into academic training but the guy who wants to be a chef?

There are more of them out there and they are needed. The people who want to go into electronics, we are going to need more and more people who can really fix computers, VCR's. Half the families I know who have computers will tell you they are not working or one part of it is not working, they are using only a tiny part of the capacity because part of it is not working or they cannot figure out how to work it. So there are large numbers of possible job opportunities out there for people who go into electronics and deal with these gadgets and keep up with the complications that have developed, are developing all the time.

Auto mechanics are not what they used to be. They have to be very well-educated and deal with very complex systems. You think you are talking to a physics professor sometimes when you go into a garage. This is the way things are now, the way they are going to be.

If we do not give the educational opportunities, if they are not there, we are going to have a society that is crippled, because we have great needs out there that cannot be met in terms of functions. At the same time, we have a need for people to earn a living.

The welfare bill that we passed last week, when we start talking about welfare reform now, people's eyes glaze over. Nobody wants to hear all the detailed discussions.

But the problem with the welfare bill is at the heart of the bill that calls for reform, to put people to work, is a big lie. The provisions for work are not there. The provisions for the development of jobs, the provision for job training, the provisions for child care for people who go into job training or work, they are not there.

The Congressional Budget Office has said we need $9 to $10 billion to just do what you say in that bill. The Republican bill has language, they have rhetoric in there about work and job training, but if you do what you say you are going to do, you need $10 billion more over the next 6 years. This is not the wild-eyed liberal from New York, MAJOR OWENS, talking. This is the Congressional Budget Office.

The Congressional Budget Office did not say it that way, but that there is fraud in the whole construct. Every time we hear people talk about welfare reform, they talk about putting people to work, and yet the provisions for guaranteeing that the people are given skills that they need and the competencies they need in order to match up with the jobs that are available, it is not there. The provisions for the creation of new jobs is not there.

We need lots of things in this society. There are jobs out there, there is work to be done, but if you do not pay for it, it is not a job.

The Federal Government needs to pay for the building of schools during this transition period, so a lot of people get work building schools. The Federal Government needs to pay for some of our infrastructure improvements in terms of highways and roads. More needs to be done that would provide jobs during this transition period. All of these things are necessary to make work a reality.

There are no jobs in Brooklyn. There are no jobs in my 11th Congressional District. Every time somebody announces a job, long lines of people form, and only a handful can get the few jobs that are available.

There are jobs that are being lost in my congressional district. Every hospital is laying off people. The largest employer in the 11th Congressional District in Brooklyn that I serve is a hospital. The biggest hospital in Brooklyn is Kings County Hospital. It has been in existence for more than 100 years. They are talking about closing Kings County Hospital. Thousands of people work there in many different capacities.

Do we need fewer hospitals? Maybe we do, but there is a wholesale movement on to rush into privatization of health care that is going to destroy those jobs before we are really certain as to what is going to replace them.

These are things that are happening. We need ways to train the new medical personnel if we are going to have personnel in a different setting. The people will not go away. They still have health care needs. You need new kinds of people to carry out those health care needs.

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What I am saying is that it all holds together. What I talked about is practical. It applies to people in my district who are suffering from a lack of jobs and job opportunities. We have taken some steps in my district to combat some of the hysteria surrounding the move for privatization.

The Republican majority here in the Congress is not alone. There are Republicans in city hall in New York, there are Republicans in the Governor's chamber in New York, and because people have come alive, because common sense in New York is manifesting itself and communicating itself, we have just gone through the passage of a State legislative budget where no further cuts in tuition at any of the State colleges will take place. The City University of New York, the State University of New York, a total of more than 400,000 students, they will not have to face another tuition increase. That is a victory, because the projections were they were going to have to face new increases.

Certain hospitals projected to be closed by the Governor, one in my district, Kingsborough Psychiatric Hospital, serving 2.5 million people, the only one in the district, 2.5 million people need a psychiatric hospital. They were proposing to close it down, because the people have become aware, because common sense has said ''no,'' they backed down. They are not closing that hospital.

So we have a check that is built into democracy. If it can operate fast enough, the common sense of the people communicates to the leaders, who are off in their own extremist dream land agenda, and the leaders, if they are listening to the people, they respond.

There is a correction. There is a need for a great correction in course. We have been pushed off course by the philosophy that politics is war without blood; have been pushed off course by the philosophy that you need to attack and eliminate a whole segment of society. We need to wipe out labor unions, organized labor, workers, the power that workers have to make decisions.

That is the wrong way to go. We need a correction. We need to recognize that we are going into a transition, and that kind of foolhardy approach, that kind of extremist approach, only moves us away from the building of a kind of Great Society that we wanted to build.

The families first agenda addresses this by trying to bring the extremists back down to earth. We talk about paycheck security, about healthcare security. Healthcare security means you have to stop tampering with Medicare. The medical savings account is a way to erode Medicare, take away the healthiest people from the pool and guaranteeing that there will be a collapse in the Medicare system, if you only have to pay for the sickest people. Healthcare security is a very vital part of the families first agenda.

Opportunity is absolutely vital. Educational opportunity, making college and vocational schools tax deductible and other ways for parents to make sure their kids get better paying jobs.

Educational opportunity means that you should not have as many college students who are going back to college in the fall now facing situations which are more difficult with respect to getting loans. We want to eliminate that.

We want to latch on to the proposals that have been made by the President for tax deductibility and for tax credits related to education. We want to adopt the President's proposals about merit scholarships.

All of this is part of the understanding that we are in a transition period and we need to have a different set of priorities. We cannot pour another $13 billion into defense while we are cutting the education budget.

I want to close by saying that I am a believer. The Families First agenda, which emphasizes security, opportunity, responsibility, is a practical agenda. It is worth fighting for. It is an agenda which is humane. It is an agenda which develops human beings and promises a society which is just and fair for everybody. It is an agenda which will bring us prosperity and growth.

Prosperity and growth is directly linked to the number of people educated. Nothing is more important to our society than an educated population. The educated population has to be a healthy population. We cannot say we care about people if we are willing to take away their food stamps and to deny Aid to Families with Dependent Children.

I think most people out there do not understand that Aid to Families with Dependent Children, what is normally called welfare, is about 1 percent of the total Federal budget. More important, most people do not understand that Aid to Families with Dependent Children is part of the Social Security Act. It started with the Social Security Act, as a part of the Social Security Act. It is all under the Social Security Act. That is where Medicare is also under. Medicaid is also under the Medicaid act.

I get senior citizens that say to me, ''Please don't let them touch my Social Security.'' There is no direct assault on what you call Social Security, your check that comes in the mail, yet. The fact that welfare in the form of Aid to Families with Dependent Children is going to cease if this bill passes and the President signs it, there will be no more entitlement for Aid to Families with Dependent Children. That is a part of the Social Security Act that has been chopped away.

That sets up the stage for more of the Social Security Act to be chopped away. We do not talk about that, but I think you ought to come to that realization. If they are willing to go after Medicare, if they are willing to transfer the dollars in Medicare to provide for a tax cut for the rich, then they certainly eventually will not mind chopping away at Social Security. Let us get ready.

If they are willing to go after young children and declare that we have no responsibility for them as a Federal Government anymore, the entitlement is gone. They are setting up a situation where the governors will be able to not only play with the dollars that are given for Aid to Families with Dependent Children, but the governors want to play with Medicaid money. There is not enough money in Aid to Families with Dependent Children, so there is a move to get their hands on the dollars in Medicaid, to take the money meant for the poor and do other things to meet the needs at the state and local level.

I am going to conclude with a little rap poem I wrote sometime ago in connection with the way we are treating children. There is a great deal of clamor about choice versus the right-to-life. I wish we would care about life for the children who are already here. This little rap poem, which I already have placed in the CONGRESSIONAL RECORD some time ago, which is called ''Message From the Newborn to the Fetus.'' The newborn is talking to the fetus.

MESSAGE FROM THE NEWBORN TO THE FETUS

Man stay in there
The womb is where its at
Until tots slide out and breathe
The right-to-life is guaranteed
You never had it so good
Out here in America
They don't treat us
Like they promised they would
Right away at the hospital
They put us out
Cause my welfare Mom
Didn't have no clout
Stay where you are man
The womb is where its at
A smart fetus can live
Like a rich lady's cat
No food stamps for immigrants
But long picket lines protect
Our pre-birth rights
The womb they glorify
Outside they watch us die
The womb is where its at
Curled up in that nice nest
You always get the very best
But out here only fear
They'll take my entitlement
Man stay in there
Cash in on this fetus fetish
Be a hero embryo
Pro-life politicians
Offer nine months of love
But at birth's border
Immigrants from heaven
Receive a hellish shove
Until tots slide out and breathe
The right to life is guaranteed
Long protest lines protected
Our pre-birth rights
We crave the medals they gave
When we were hidden
Intimately way out of sight
The womb is where its at
Safely grow soft and fat
Immigrant school lunches are now gone
Budget cuts down to the bone
Newborns sound the trumpet
This land is littered
With ugly infant tombs
Babies must unite in battle
Make war to regain
Our wonderful respected wombs
The womb is where its at
Until tots slide out and breathe
The right-to-life is guaranteed
We appeal to the United Nations
We cry out to the Almighty Pope
The holy right of return
Is now our only hope
Man stay in there
The womb is where its at.

REVISED LEVELS OF NEW BUDGET AUTHORITY AND OUTLAYS FOR FISCAL YEAR 1997

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. KASICH] is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, I hereby submit the following revised levels of new budget authority and outlays for fiscal year 1997. These levels supersede those printed in the CONGRESSIONAL RECORD on July 10, 1996, in compliance with section 606(e) of the Congressional Budget Act. Section 606(e) of the Congressional budget Act provides for the revision of the budgetary levels established by concurrent budget resolutions and accompanying reports to accommodate additional appropriations for continuing disability reviews under the Supplemental Security Income Program. The revised levels of total new budget authority and total budget outlays printed in the RECORD on July 10 were not based on the appropriate levels in the fiscal year 1997 budget resolution conference report (H. Rept. 104–612).

For fiscal year 1997, the revised level of total new budget authority is $1,314,785,000,000 and the revised level of total budget outlays is $1,311,171,000,000.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COLEMAN (at the request of Mr. GEPHARDT) for Wednesday, July 24, Thursday, July 25, and Friday, July 26, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MASCARA) to revise and extend their remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

Mr. MASCARA, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

(The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:)

Ms. ROS-LEHTINEN, for 5 minutes, today.

Mr. SHADEGG, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

Mr. DIAZ-BALART, for 5 minutes, today.

Mr. GUTKNECHT, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. WAXMAN, for 5 minutes, today.

(The following Member (at his own request) and to include extraneous matter:)

Mr. KANJORSKI, for 5 minutes, today.

(The following Member (at the request of Mr. GOSS) to revise and extend his remarks and include extraneous material:)

Mr. KASICH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MASCARA) and to include extraneous matter:)

Mr. DINGELL.

Mr. CUMMINGS.

Mr. ACKERMAN.

Mr. FILNER.

Mrs. MALONEY.

Mr. DEUTSCH.

Mr. KANJORSKI.

(The following Members (at the request of Mr. GUTKNECHT) and to include extraneous matter:).

Mr. SOLOMON.

Mr. SMITH of Michigan.

Mr. FIELDS of Texas, in two instances.

Mr. SPENCE.

Mr. HOKE.

(The following Members (at the request of Mr. OWENS) and to include extraneous material:)

Mr. GINGRICH.

Mr. FOX of Pennsylvania in six instances.

Mr. GANSKE.

Mr. CALLAHAN.

Mr. RICHARDSON.

Mr. PACKARD.

Mrs. MORELLA.

Mr. LIPINSKI in two instances.

Ms. ROS-LEHTINEN.

Mr. CONYERS.

Mr. KIM.

Mr. BAKER of California.

Ms. JACKSON-LEE of Texas.

Ms. LOFGREN.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee has examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1627. An act to amend the Federal Insecticide, Fungicide, and Rondenticide Act and the Federal Food, Drug, and Cosmetic Act, and for other purposes.

H.R. 2337. An act to amend the Internal Revenue Code of 1986 to provide for increased taxpayer protections.

H.R. 3235. An act to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for 3 years, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 3107. An act to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Friday, July 26, 1996, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4316. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Assessment Rate [FV96–905–1 IFR] received July 24, 1996, pursuant to 5 U.S.C. 801(A)(1)(A); to the Committee on Agriculture.

4317. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Mexican Fruit Fly Regulations; Removal of Regulated Area [APHIS Docket No. 96–053–1] received July 24, 1996, pursuant to 5 U.S.C. 801(A)(1)(A); to the Committee on Agriculture.

4318. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Chief Financial Officers Act Report for the Federal Deposit Insurance Corporation for 1995, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform and Oversight.

4319. A letter from the Chairman, Merit Systems Protection Board, transmitting a copy of a statistical report on the U.S. Merit Systems Protection Board's [MSPB] cases decided in fiscal year 1995, pursuant to 5 U.S.C. 1204(A)(3); to the Committee on Government Reform and Oversight.

4320. A letter from the Director, Office of Personnel Management, transmitting OPM's fiscal year 1995 annual report to Congress on the Federal Equal Opportunity Recruitment Program [FEORP], pursuant to 5 U.S.C. 7201(e); to the Committee on Government Reform and Oversight.

4321. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Funding of Administrative Law Judge Examination (RIN: 3206–AH31) received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4322. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—VISAS: Passports and Visas Not Required for Certain Nonimmigrants (Bureau of Consular Affairs) [Public Notice 2415] received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4323. A letter from the Commissioner, Immigration and Naturalization Service, transmitting the Department's final rule—Adding Australia to the List of Countries Authorized to Participate in the Visa Waiver Pilot Program [INS No. 1782–96] (RIN: 1115–AB93) received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4324. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Operational Measures to Reduce Oil Spills From Existing Tank Vessels Without Double Hulls (U.S. Coast Guard) [CGD 91–045] (RIN: 2115–AE01) received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4325. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Procedures for Transportation Workplace Drug and Alcohol Testing: Insufficient Specimens and Other Clarifications [Docket OST–95–321] (RIN: 2105–AC22) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4326. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Boston Harbor, Spectacle Island (U.S. Coast Guard) [CGD01–96–042] (RIN: 2115–AE84) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4327. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Ohio River Mile 461.0 to Mile 462.0 (U.S. Coast Guard) [CGD02–96–007] (RIN: 2115–AE84) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4328. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zones, Security Zones, and Special Local Regulations (U.S. Coast Guard) [CGD 96–036] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4329. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Sail Boat Regatta, Upper Illinois River Mile 162.5, Peoria, IL (U.S. Coast Guard) [CGD02–96–005] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4330. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Cityfair Powerboat Superleague Races Ohio River Mile 603.5–604.5, Louisville, KY (U.S. Coast Guard) [CGD02–96–009] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4331. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Thunderfeet, Upper Mississippi River Mile 583.0–579.3, Dubuque, IA (U.S. Coast Guard) (CGD02–96–011] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4332. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Wonder Lake Ski Show Team, Illinois River Mile 179.5–180.5, Chillicohe, IL (U.S. Coast Guard) [CGD02–96–012] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4333. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local

Regulations; Oquawka Shootout, Upper Mississippi River Mile 415.5–416.0, Oquawka, IL (U.S. Coast Guard) [CGD02–96–013] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4334. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Waterfest Weekend, Missouri River Mile 737.0–733.0, South Sioux City, NE (U.S. Coast Guard) [CGD02–96–014] (RIN 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4335. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Great Tennessee River Race and Jam, Tennessee River Mile 463.5–464.5, Chattanooga, TN (U.S. Coast Guard) [CGD02–96–015] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4336. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Chincoteague Power Boat Regatta, Assateague Channel, Chincoteague, Virginia (U.S. Coast Guard) [CGD05–96–044] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4337. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; City of Fort Lauderdale, FL [CGD07–96–033] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4338. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Rada Fajardo, East of Villa marina, Fajardo, PR (U.S. Coast Guard) [CGD07–96–036] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4339. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Key West Super Boat Race; Key West, FL (U.S. Coast Guard) [CGD07–96–037] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4340. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Pro-Tour El Morro Offshore Cup; San Juan Bay and North of Old San Juan, PR (U.S. Coast Guard) [CGD07–96–038] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4341. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Fort Myers Beach Offshore Grand Prix; Fort Myers Beach, FL (U.S. Coast Guard) [CGD07–96–040] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4342. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Riverfest, Mississippi River Mile 51.6–53.0, Cape Girardeau, MO (U.S. Coast Guard) [CGD08–96–013] (RIN: 2115–AE46) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4343. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Ohio River, Mile 249.0–251.0 (U.S. Coast Guard) [COTP Huntington 96–007] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4344. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; San Pedro Bay, CA (U.S. Coast Guard) [COTP Los Angeles-Long Beach, CA; 96–012] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4345. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Port Everglades, Fort Lauderdale, FL (U.S. Coast Guard) [COTP Miami–96–030] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4346. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations; Delaware Bay, Delaware River, Salem River, New Jersey (U.S. Coast Guard) [COTP Philadelphia, PA Regulation 96–016] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4347. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; San Diego Bay, CA (U.S. Coast Guard) [COTP San Diego Bay; 96–004] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee and Transportation and Infrastructure.

4348. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; San Diego Bay, CA (U.S. Coast Guard) [COTP San Diego Bay; 96–005] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4349. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; San Diego Bay, CA (U.S. Coast Guard) [COTP San Diego Bay; 96–006] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4350. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; San Francisco Bay, CA (U.S. Coast Guard) [COPT San Francisco Bay; 96–001] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4351. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations; Savannah River; Savannah, GA (U.S. Coast Guard) [COTP Savannah Regulation 96–029] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4352. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations; Savannah River; Savannah, GA (U.S. Coast Guard) [COTP Savannah Regulation 96–035] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4353. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Cut ''A'' Channel, Tampa, FL (U.S. Coast Guard) [COTP Tampa 96–027] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4354. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Washington Street Caterers/Franklin Mutual Fireworks, Upper New York Bay, New York and New Jersey (U.S. Coast Guard) [CGD01–96–029] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4355. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security Zone: Vice Presidential Visit, Boston, MA (U.S. Coast Guard) [CGD01–96–031] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4356. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security Zone: Presidential Security Zone, New London, CT (U.S. Coast Guard) [CGD01–96–032] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4357. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security Zone: Presidential Arrival and Departure, Liberty State Park, New Jersey (U.S. Coast Guard) [CGD01–96–036] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4358. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security Zone: Vice-Presidential Arrival and Departure, Bowery Bay, Queens, New York (U.S. Coast Guard) [CGD01–96–038] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4359. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security Zone: Presidential Visit, Intrepid Sea-Air-Space Museum, Hudson River, New York (U.S. Coast Guard) [CGD01–96–039] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4360. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation: Boston Inner Harbor, Boston, MA (U.S. Coast Guard) [CGD1–96–040] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4361. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation: Nantasket Beach, Hull, MA (U.S. Coast Guard) [CGD1–96–043] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4362. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation: Charles River Fireworks Display, Boston, MA (U.S. Coast Guard) [CGD1–96–044] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4363. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Patsy Wedding Fireworks, Southampton, NY (U.S. Coast Guard) [CGD01–96–052] (RIN: 2115–AA97) received July 25 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4364. A letter from the General Counsel, Department of Transportation, transmitting

the Department's final rule—Security Zone: Presidential Visit, East River, New York (U.S. Coast Guard) [CGD01–96–060] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C 801 (a)(1)(A); to the Committee on Transportation and Infrastructure.

4365. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: American Legion Post 83 Fireworks, Branford, CT (U.S. Coast Guard) [CGDO1–96–061] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4366. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: 47th P.T. Barnum Festival, Bridgeport, CT (U.S. Coast Guard) [CGDO1–96–062] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4367. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware Bay,. Delaware River, Salem River, New Jersey (U.S. Coast Guard) [CGD05–95–020] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4368. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation: Delaware Bay, Delaware River, Salem River, New Jersey (U.S. Coast Guard) [CGDO5–96–022] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4369. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware Bay, Delaware River (U.S. Coast Guard) [CGDO5–96–023] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4370. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulation: Coos Bay, North Bend, OR (U.S. Coast Guard) [CGD13–96–017] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4371. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware Bay, Delaware River, Salem River, New Jersey (U.S. Coast Guard) [CGD05–96–024] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4372. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware Bay, Delaware River, Salem River, NJ (U.S. Coast Guard) [CGD05–96–027] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4373. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware Bay, Delaware River (U.S. Coast Guard) [CGD05–96–029] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4374. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Great Egg Harbor, New Jersey and New Jersey Coastline from Great Egg Harbor Inlet to Atlantic City (U.S. Coast Guard) [COTP Philadelphia, PA Regulation—CGD05–96–035] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4375. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware Bay, Delaware River, Salem River, New Jersey (U.S. Coast Guard) [CGD05–96–036] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4376. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware River between the Ben Franklin Bridge, Philadelphia, Pennsylvania and the Commodore Barry Bridge, Chester, PA [COTP Philadelphia, PA Regulation—CGD05–96–037] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4377. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Chesapeake Bay, Hampton Roads, James River, VA (U.S. Coast Guard) [CGD05–96–039] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4378. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Delaware Bay, Delaware River, Salem River, New Jersey (U.S. Coast Guard) [CGD05–96–040] (RIN: 2115–AA97] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4379. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Chesapeake Bay, Hampton Roads, James River, VA (U.S. Coast Guard) [CGD05–96–047] (RIN: 2115–AA97) received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4380. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Milwaukee River (U.S. Coast Guard) [CGD09–96–004] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4381. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Cinco de Mayo Fireworks Display, Williamette River, Portland, OR (U.S. Coast Guard) [CGD13–96–013] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4382. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone Regulations: Portland Rose Festival Fireworks Display, Williamette River, Portland, OR (U.S. Coast Guard) [CGD13–96–016] received July 25, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOODLING: Committee of Conference. Conference report on H.R. 1617. A bill to consolidate and reform workforce development and literacy programs, and for other purposes (Rept. 104–707). Ordered to be printed.

Mr. GOSS: Committee on Rules. House Resolution 489. Resolution providing for the consideration of the bill (H.R. 2823) to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes (Rept. 104–708). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GANSKE:

H.R. 3895. A bill to authorize amounts required to be paid by the United States pursuant to a judgment or a settlement in favor of an individual to be used to pay child support and alimony obligations of the individual; to the Committee on Ways and Means.

By Mr. BURTON of Indiana:

H.R. 3896. A bill to amend title 49, United States Code, to require the use of dogs or other appropriate animals at major airports for the purpose of detecting plastic explosives and other devices which may be used in airport piracy and which cannot be detected by metal detectors; to the Committee on Transportation and Infrastructure.

By Mr. LAZIO of New York (for himself, Mr. LEACH, Mr. BEREUTER, Mr. BAKER of Louisiana, Mr. CASTLE, Mr. WELLER, Mr. HAYWORTH, Mr. BONO, Mr. NEY, Mr. EHRLICH, Mr. CREMEANS, Mr. FOX, Mr. HEINEMAN, Mr. WATTS of Oklahoma, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, and Mr. FLANAGAN):

H.R. 3897. A bill to provide permanent authority for the insurance of home equity conversion mortgages and promote consumer education in connection with such mortgages, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. CUNNINGHAM (for himself, Mr. PORTER, and Mr. CANADY):

H.R. 3898. A bill to declare English as the official language of the United States, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned..

By Mr. LIPINSKI:

H.R. 3899. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

By Mr. COMBEST (for himself, Mr. ROBERTS, Mr. DE LA GARZA, Mr. STENHOLM, Mr. ALLARD, Mr. BARRETT of Nebraska, Mr. JOHNSON of South Dakota, Mr. LUCAS, Mr. CHAMBLISS, Mr. THORNBERRY, Mr. EDWARDS, and Mr. TEJEDA):

H.R. 3900. A bill to amend the Agricultural Market Transition Act to provide greater planting flexibility, and for other purposes; to the Committee on Agriculture.

By Mr. CALVERT (for himself, Mr. BOEHNER, Mr. SOLOMON, Mr. STUMP, Mr. MONTGOMERY, Mr. MCCOLLUM, Mr. LEWIS of California, Mr. WALKER, Mr. MOORHEAD, Mr. HOKE, Mr. BUYER, Mr. MORAN, Mr. SAM JOHNSON, Mr. CHRISTENSEN, Mr. COX, Mr. HUNTER, Mr. MCKEON, Mr. BREWSTER, Mr. CHAMBLISS, Mr. ACKERMAN, Mr. SAXTON, Mr. KIM, Mr. ENGLISH of Pennsylvania, Mr. WATTS of Oklahoma, Mr. EWING, Mr. HORN, Mr.

BONILLA, Mr. BILBRAY, Mr. HAYWORTH, Mr. LIGHTFOOT, Mr. ROEMER, Mr. BROWN of California, Mr. GILCHREST, Mr. CUNNINGHAM, Mr. RAMSTAD, Mrs. SEASTRAND, Mr. FALEOMAVAEGA, and Mr. TORRICELLI):

H.R. 3901. A bill to amend title 18, United States Code, to create criminal penalties for theft and malicious vandalism at national cemeteries; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. WAXMAN, Mr. STUPAK, and Mrs. LINCOLN):

H.R. 3902. A bill to amend the Omnibus Consolidated Rescissions and Appropriations Act of 1996 to extend the date specified for the transfer of certain amounts to be available for drinking water State revolving funds from August 1, 1996, to September 30, 1996; to the Committee on Appropriations.

By Mr. DOOLITTLE:

H.R. 3903. A bill to require the Secretary of the Interior to sell the Sly Park Dam and Reservoir, and for other purposes; to the Committee on Resources.

By Mrs. LOWEY (for herself, Mrs. JOHNSON of Connecticut, Mr. DURBIN, Mr. HOYER, Mrs. MORELLA, Mr. LEACH, Ms. PELOSI, Mr. NADLER, and Ms. DELAURO):

H.R. 3904. A bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes; to the Committee on Commerce.

By Mr. SOLOMON (for himself, Ms. DUNN of Washington, Ms. MOLINARI, Mr. JOHNSTON OF Florida, Mr. GALLEGLY, Mr. OXLEY, Mr. TATE, Mrs. CUBIN, Mr. BAKER of Louisiana, Mr. FRANKS of Connecticut, Mrs. SEASTRAND, Mr. BILBRAY, Mrs. LOWEY, Ms. PRYCE, Mr. ACKERMAN, and Mrs. FOWLER):

H.R. 3905. A bill to amend the Controlled Substances Act to provide an enhanced penalty for distributing a controlled substance with the intent to facilitate a rape or sexual battery, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER of California (for himself and Ms. LOFGREN):

H.R. 3906. A bill to encourage the development and use of new and innovative environmental monitoring technology by accelerating the move toward performance-based monitoring methods, establishing target dates for implementing a new regulatory approach across all environmental programs, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. VOLKMER:

H.J. Res. 187. Joint resolution proposing an amendment to the Constitution of the United States relative to expenditures to affect congressional, Presidential, State, and local elections; to the Committee on the Judiciary.

By Mr. LIPINSKI (for himself, Mr. RUSH, Mr. JACKSON, Mr. FLANAGAN, Mr. HYDE, Mr. CRANE, Mr. YATES, Mr. PORTER, Mr. WELLER, Mr. COSTELLO, Mr. FAWELL, Mr. HASTERT, Mr. EWING, Mr. LAHOOD, and Mr. DURBIN):

H. Con. Res. 201. Concurrent resolution expressing the sense of the Congress with respect to the implementation by the Secretary of Transportation of exceptions to the train whistle requirement of section 20153 of title 49, United States Code; to the Committee on Transportation and Infrastructure.

By Mr. FRANKS of Connecticut:

H. Con. Res. 202. Concurrent resolution expressing the sense of the Congress that U.S. companies should acquire technology that was developed by U.S. companies from those companies instead of from their overseas competitors; to the Committee on Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 616: Mr. CUMMINGS.

H.R. 1046: Mr. OBERSTAR.

H.R. 1073: Mr. BLUMENAUER, Mr. CLINGER, Mr. REGULA, Mr. SCHAEFER, Mr. WELDON of Florida, Mr. BONILLA, Mr. LEACH, Mr. GUTKNECHT, Mr. FOLEY, Mr. BOEHLERT, Mr. METCALF, Mr. PORTER, and Mr. LEVIN.

H.R. 1074: Mr. BLUMENAUER, Mr. CLINGER, Mr. REGULA, Mr. SCHAEFER, Mr. WELDON of Florida, Mr. BONILLA, Mr. GUTKNECHT, Mr. FOLEY, Mr. BOEHLERT, Mr. PORTER, and Mr. LEVIN.

H.R. 1100: Mr. BILIRAKIS.

H.R. 1281: Mrs. LOWEY.

H.R. 2209: Mr. MANTON, Mr. DINGELL, Ms. SLAUGHTER, Mr. VISCLOSKY, Mrs. LOWEY, Mr. ORTON, and Mr. FRANKS of Connecticut.

H.R. 2244: Mr. FRANKS of New Jersey.

H.R. 2270: Mr. POSHARD.

H.R. 2421: Mr. LAZIO of New York.

H.R. 2470: Mr. CRAPO.

H.R. 2701: Mr. LAHOOD.

H.R. 2757: Mrs. CHENOWETH.

H.R. 3000: Mr. SAWYER.

H.R. 3079: Mrs. CHENOWETH.

H.R. 3207: Mr. BARRETT of Wisconsin and Mr. CRAMER.

H.R. 3492: Mr. BOUCHER.

H.R. 3512: Mr. BARRETT of Wisconsin.

H.R. 3513: Mr. BARRETT of Wisconsin.

H.R. 3521: Mr. PASTOR.

H.R. 3565: Mr. PICKETT.

H.R. 3608: Mr. WATT of North Carolina, Mr. YATES, Mr. OWENS, Mr. DELLUMS, and Mr. FATTAH.

H.R. 3710: Mr. BOEHLERT, Mr. SHAW, and Mrs. CLAYTON.

H.R. 3713: Mr. TORRICELLI.

H.R. 3748: Mr. BERMAN.

H.R. 3794: Mr. EVANS.

H.R. 3835: Mr. DELLUMS, Mr. EVANS, Mr. FROST, Mr. LEWIS of Georgia, and Mr. OLVER.

H.R. 3846: Mr. DEFAZIO, Mr. BROWN of California, Mr. LANTOS, Mr. BERMAN, Mr. PAYNE of Virginia, Mr. HALL of Ohio, Mr. WAXMAN, Mr. PAYNE of New Jersey, Mr. BEREUTER, Mr. MEEHAN, Mr. MCNULTY, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. MILLER of California.

H.R. 3878: Mr. CHRYSLER.

H.J. Res. 114: Mr. SAWYER and Mrs. MALONEY.

H. Con. Res. 63: Mr. SAXTON and Mr. KINGSTON.

H. Con. Res. 103: Mr. ACKERMAN.

H. Con. Res. 199: Mrs. LOWEY.

H. Res. 30: Mr. SHADEGG and Mr. SALMON.