gratitude is owed to the Good Samaritan Hospital School of Nursing for its century of service. I congratulate the students and the school's graduates and leaders as they gather to commemorate the school's first 100 years of nursing excellence.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, August 30, the Federal debt stood at $5,208,303,439,417.93.

On a per capita basis, every man, woman, and child in America owes $19,607.09 as his or her share of that debt.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period of time for morning business has expired.

DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 3666, the VA–HUD appropriations bill, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3666) making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 3666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans as authorized by law (38 U.S.C. 107, chapters 11, 13, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198); **[$18,497,854,000]** *$18,671,259,000*, to remain available until expended: *Provided,* That not to exceed $26,417,000 of the amount appropriated shall be reimbursed to ''General operating expenses'' and ''Medical care'' for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the ''Compensation and pensions'' appropriation: *Provided further,* That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to ''Medical facilities revolving fund'' to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992 (38 U.S.C. chapter 55).

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, **[$1,227,000,000]** *$1,377,000,000*, to remain available until expended: *Provided,* That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, $38,970,000, to remain available until expended.

GUARANTY AND INDEMNITY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $105,226,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

LOAN GUARANTY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $33,810,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

DIRECT LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That during 1997, within the resources available, not to exceed $300,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct loan program, $80,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

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

In addition, for administrative expenses necessary to carry out the direct loan program, $195,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $49,000, as authorized by 38 U.S.C. chapter 31, as amended: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed **[$1,964,000]** *$2,822,000*.

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

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, $205,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; aid to State homes as authorized by 38 U.S.C. 1741; and not to exceed $8,000,000

to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); $17,008,447,000, plus reimbursements: *Provided*, That of the funds made available under this heading, **[**$570,000,000**]** *$596,000,000* is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1997, and shall remain available until September 30, 1998.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 1998, **[**$257,000,000**]** *$262,000,000*, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; **[**$59,207,000**]** *$62,207,000*, plus reimbursements.

TRANSITIONAL HOUSING LOAN PROGRAM

(INCLUDING TRANSFER OF FUNDS)

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

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

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; **[**$823,584,000**]** *$813,730,000*: *Provided* ***[****further****]***, That during fiscal year 1997, notwithstanding any other provision of law, the number of individuals employed by the Department of Veterans Affairs (1) in other than ''career appointee'' positions in the Senior Executive Service shall not exceed 6, and (2) in schedule C positions shall not exceed 11: *Provided further*, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act.

NATIONAL CEMETERY SYSTEM

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of two passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, $76,864,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $30,900,000.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is $3,000,000 or more or where funds for a project were made available in a previous major project appropriation, **[**$245,358,000**]** *$178,250,000*, to remain available until expended: *Provided*, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year 1997, for each approved project shall be obligated (1) by the awarding of a construction documents contract by September 30, 1997, and (2) by the awarding of a construction contract by September 30, 1998: *Provided further*, That the Secretary shall promptly report in writing to the Comptroller General and to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above; and the Comptroller General shall review the report in accordance with the procedures established by section 1015 of the Impoundment Control Act of 1974 (title X of Public Law 93–344): *Provided further*, That no funds from any other account except the ''Parking revolving fund'', may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than $3,000,000; **[**$160,000,000**]** *$190,000,000*, to remain available until expended, along with unobligated balances of previous ''Construction, minor projects'' appropriations which are hereby made available for any project where the estimated cost is less than $3,000,000: *Provided*, That funds in this account shall be available for (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe, and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, **[**$12,300,000, together with**]** income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from ''Medical care''.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131–8137, $47,397,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, $1,000,000, to remain available until expended.

FRANCHISE FUND

(INCLUDING TRANSFER OF FUNDS)

There is hereby established in the Treasury a franchise fund pilot, as authorized by section 403 of Public Law 103–356, to be available as provided in such section for expenses and equipment necessary for the maintenance and operation of such administrative services as the Secretary determines may be performed more advantageously as central services: *Provided*, That any inventories, equipment and other assets pertaining to the services to be provided by the franchise fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made hereafter for the purpose of providing capital, shall be used to capitalize the franchise fund: *Provided further*, That the franchise fund may be paid in advance from funds available to the Department and other Federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount necessary to maintain a reasonable operating reserve, as determined by the Secretary: *Provided further*, That the franchise fund shall provide services on a competitive basis: *Provided further*, That an amount not to exceed four percent of the total annual income to such fund may be retained in the fund for fiscal year 1997 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment and for the improvement and implementation of Departmental financial management, ADP, and other support systems: *Provided further*, That no later than thirty days after the end of each fiscal year amounts in excess of this reserve limitation shall be transferred to the Treasury: *Provided further*, That such franchise fund pilot shall terminate pursuant to section 403(f) of Public Law 103–356.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for 1997 for ''Compensation and pensions'', ''Readjustment benefits'', and ''Veterans insurance and indemnities'' may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for 1997 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for ''Construction, major projects'', ''Construction, minor projects'', and the ''Parking revolving fund'') shall be

available for the purchase of any site for or toward the construction of any new hospital or home.

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

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1997 for ''Compensation and pensions'', ''Readjustment benefits'', and ''Veterans insurance and indemnities'' shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 1996.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1997 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from ''Compensation and pensions''.

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1997, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the ''General operating expenses'' account for the cost of administration of the insurance programs financed through those accounts: *Provided*, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 1997, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: *Provided further*, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: *Provided further*, That the Secretary shall determine the cost of administration for fiscal year 1997, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

[ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

[(INCLUDING RESCISSION)

[For assistance under the United States Housing Act of 1937, as amended (the ''Act'' herein) (42 U.S.C. 1437), not otherwise provided for, $5,272,000,000 (reduced by $140,000,000), to remain available until expended: *Provided*, That of the total amount provided under this head, $4,472,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts of which $875,000,000 shall be available on September 15, 1997: *Provided further*, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1997: *Provided further*, That of the total amount provided under this head, $800,000,000 (reduced by $140,000,000) shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended: *Provided further*, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section.

[HOUSING FOR SPECIAL POPULATIONS: ELDERLY AND DISABLED

[For capital advances, including amendments to capital advance contracts, and for project rental assistance and amendments thereto, for Supportive Housing for the Elderly under section 202 of the Housing Act of 1959, as amended, $595,000,000 (increased by $100,000,000), to remain available until expended.

[For capital advances, including amendments to capital advance contracts, and for project rental assistance and amendments thereto, for Supportive Housing for Persons with Disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act, $174,000,000 (increased by $40,000,000), to remain available until expended, of which 25 percent shall be used for tenant-based rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437(o)), in addition to any other amounts available for section 8(o).

[The Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.

[FLEXIBLE SUBSIDY FUND

[(INCLUDING TRANSFER OF FUNDS)

[From the fund established by section 236(g) of the National Housing Act, as amended, all uncommitted balances of excess rental charges as of September 30, 1996, and any collection during fiscal year 1997, shall be transferred, as authorized under such section, to the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended.

[RENTAL HOUSING ASSISTANCE

[(RESCISSION)

[The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z–1) is reduced in fiscal year 1997 by not more than $2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.

[PUBLIC AND INDIAN HOUSING

[HOUSING CERTIFICATE FUND

[For tenant-based assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), as amended, $166,000,000, to remain available until expended: *Provided*, That of the total amount provided under this head, $50,000,000 shall be for nonelderly disabled families relocating pursuant to designation of a public housing development under section 7 of such Act: *Provided further*, That the remainder of the amount provided under this head shall be used only for housing assistance for relocating residents of properties (i) that are eligible for assistance under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low-Income Housing Preservation Act of 1987 (ELIHPA) in accordance with the terms and conditions of the tenth and eleventh provisos of the second undesignated paragraph under the head ''Annual Contributions for Assisted Housing'' in Public Law 104–134; (ii) that are owned by the Secretary and being disposed of; (iii) for which section 8 assistance is allocated under subsection (f) of section 204 of this Act (relating to portfolio reengineering); or (iv) subject to special workout assistance team intervention compliance actions: *Provided further*, That notwithstanding any other provision of law, a public housing agency administering certificate or voucher assistance provided under subsection (b) or (o) of section 8 of the United States Housing Act of 1937, as amended, shall delay for 3 months, the use of any amounts of such assistance (or the certificate or voucher representing assistance amounts) made available by the termination during fiscal year 1997 of such assistance on behalf of any family for any reason, but not later than October 1, 1997, with the exception of any certificates assigned or committed to project-based assistance as permitted otherwise by the Act, accomplished prior to the effective date of this Act: *Provided further*, That section 8(c)(2)(A) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f(c)(2)(A)) is further amended—

[(1) in the third sentence by inserting ''and fiscal year 1997'' after ''1995''; and

[(2) in the last sentence by inserting ''and fiscal year 1997'' after ''1995''.

[PUBLIC HOUSING OPERATING FUND

[For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $2,850,000,000.

[PUBLIC HOUSING CAPITAL FUND

[(INCLUDING TRANSFERS OF FUNDS)

[For the Public Housing Capital Fund program under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), $2,700,000,000, to remain available until expended, of which $2,415,000,000 shall be for modernization of existing public housing projects; $200,000,000 for Indian Housing Development; $50,000,000 for grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act, and other low-income families and individuals, principally for the benefit of public housing residents, to become self-sufficient; $20,000,000 for technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public and Indian housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training

and technical assistance by or to officials and employees of the department and of public housing agencies and to residents in connection with the public and Indian housing program or for carrying out activities under section 6(j) of the Act; $10,000,000 for the Tenant Opportunity Program; and $5,000,000 for the Jobs-Plus Demonstration for Public Housing families: *Provided*, That all obligated and unobligated balances as of the end of fiscal year 1996 heretofore provided for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), for public and Indian housing amendments, for modernization and development technical assistance, for lease adjustments for the section 23 program, and for the Family Investment Centers program shall be transferred to amounts made available under this heading.

[REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VII)

[For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants to be displaced by the demolition, $550,000,000, to remain available until expended, of which the Secretary may use up to $2,500,000 for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: *Provided*, That, notwithstanding any other provision of law, the funds made available to the Housing Authority of New Orleans under HOPE VI for purposes of Desire Homes, shall not be obligated or expended for on-site construction until an independent third party has determined whether the site is appropriate.

[DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

[(INCLUDING TRANSFER OF FUNDS)

[For grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $290,000,000, to remain available until expended, $10,000,000 of which shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training), $5,000,000 of which shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector General of the Department of Housing and Urban Development, and $5,000,000 of which shall be transferred to the Office of Inspector General for Operation Safe Home: *Provided*, That the term ''drug-related crime'', as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary.]

DEVELOPMENT OF ADDITIONAL NEW SUBSIDIZED HOUSING

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families under the United States Housing Act of 1937, as amended (''the Act'' herein) (42 U.S.C. 1437), not otherwise provided for, $969,000,000, to remain available until expended: Provided, That of the total amount provided under this head, $595,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959; and $174,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act; and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act: Provided further, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of the Cranston-Gonzalez National Affordable Housing Act for tenant-based assistance, as authorized under that section, which assistance is five years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate: Provided further, That of the total amount provided under this head, $200,000,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb).

PREVENTION OF RESIDENT DISPLACEMENT

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts or expiration of use restrictions, or other changes in housing assistance arrangements, $4,775,000,000, to remain available until expended: Provided, That of the total amount provided under this head, $3,800,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1997: Provided further, That of the total amount provided under this head, $800,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended: Provided further, That of the total amount provided under this head, $175,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for nonelderly disabled families relocating pursuant to designation of a public housing development under section 7 of such Act, for a demonstration linking housing assistance to State welfare reform initiatives to help families make the transition from welfare to work and for housing assistance for relocating residents of properties (i) that are owned by the Secretary and being disposed of; (ii) that are discontinuing section 8 project-based assistance; or (iii) subject to special workout assistance team intervention compliance actions.

PRESERVING EXISTING HOUSING INVESTMENT

For operating, maintaining, revitalizing, rehabilitating, preserving, and protecting existing housing developments for low income families, the elderly and the disabled, $6,590,000,000, to remain available until expended: Provided, That of the total amount made available under this head, $2,900,000,000 shall be available for payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g): Provided further, That of the total amount made available under this head, $2,500,000,000 shall be available for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437l): Provided further, That of the total amount made available under this head, $550,000,000 shall be for grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants to be displaced by the demolition, of which the Secretary may use up to $2,500,000 for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided further, That of the total amount provided under this head, $350,000,000 plus amounts recaptured from interest reduction payment contracts for section 236 projects whose owners prepay their mortgages during fiscal year 1997 (which amounts shall be transferred and merged with this account), shall be for use in conjunction with properties that are eligible for assistance under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the emergency Low-Income Housing Preservation Act of 1987 (ELIHPA): Provided further, That the Secretary may continue to impose a moratorium on the acceptance of initial notices of intent by potential recipients of such funding: Provided further, That funding shall be limited to: (1) tenant-based assistance under the terms of the tenth and eleventh provisos of the second undesignated paragraph under the ''Annual Contributions for Assisted Housing'' head of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996; (2) plans of action for sales of projects to nonprofit organizations, tenant-sponsored organizations and other priority purchasers; (3) projects that are subject to a repayment or settlement agreement that was executed between the owner and the Secretary prior to September 1, 1995; (4) projects for which submissions were delayed as a result of their location in areas that were designated as a Federal disaster area in a Presidential Disaster Declaration; and (5) projects whose processing was, in fact, or in practical effect, suspended, deferred, or interrupted for a period of nine months or more because of differing interpretations, by the Secretary and an owner concerning the timing of the ability of an uninsured section 236 property to prepay or by the Secretary and a State or local rent regulatory agency, concerning the effect of a presumptively applicable State or local rent control law or regulation on the determination of preservation value under section 213 of LIHPRHA, as amended, if the owner of such project filed a notice of

intent to extend the low-income affordability restrictions of the housing, or transfer to a qualified purchaser who would extend such restrictions, on or before November 1, 1993: Provided further, That priority shall be given to funding tenant-based assistance under the terms of the tenth and eleventh provisos of the second undesignated paragraph under the ''Annual Contributions for Assisted Housing'' head of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996, and plans of action for sales of projects to nonprofit organizations, tenant-sponsored organizations, and other priority purchasers: Provided further, That the Secretary may give priority to funding approved plans of action for the following projects: (1) projects that are subject to a repayment or settlement agreement that was executed between the owner and the Secretary prior to September 1, 1995; (2) projects for which submissions were delayed as a result of their location in areas that were designated as a Federal disaster area in a Presidential Disaster Declaration; and (3) projects whose processing was, in fact, or in practical effect, suspended, deferred, or interrupted for a period of nine months or more because of differing interpretations, by the Secretary and an owner concerning the timing of the ability of an uninsured section 236 property to prepay or by the Secretary and a State or local rent regulatory agency, concerning the effect of a presumptively applicable State or local rent control law or regulation on the determination of preservation value under section 213 of LIHPRHA, as amended, if the owner of such project filed a notice of intent to extend the low-income affordability restrictions of the housing, or transfer to a qualified purchaser who would extend such restrictions, on or before November 1, 1993: Provided further, That section 241(f) of the National Housing Act is repealed and insurance under such section shall not be offered as an incentive under LIHPRHA and ELIHPA: Provided further, That a capital loan may be provided as an incentive under LIHPRHA or ELIHPA on such terms and conditions as the Secretary may prescribe: Provided further, That the following provisos under the second undesignated heading under the ''Annual Contributions for Assisted Housing'' head of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 shall continue in effect: the fourth proviso, the sixth proviso, the seventh proviso, the ninth proviso, the tenth proviso, the eleventh proviso, and the twelfth proviso: Provided further, That notwithstanding any other provision of law, effective October 1, 1997, the Secretary shall suspend further funding of plans of action: Provided further, That of the total amount provided under this head $290,000,000 shall be for grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, of which $10,000,000 shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training), up to $5,000,000 of which may be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector General of the Department of Housing and Urban Development, and up to $5,000,000 of which may be provided to the Office of Inspector General for Operation Safe Home: Provided further, That the term ''drug-related crime'', as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: Provided further, That notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), $3,000,000: *Provided,* That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $36,900,000.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS FUND

(INCLUDING TRANSFER OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the ''Act'' herein) (42 U.S.C. 5301), $4,600,000,000, to remain available until September 30, 1999, [of which $300,000,000 shall become available for obligation on September 30, 1997, and] of which [$61,400,000] *$68,500,000* shall be for grants to Indian tribes notwithstanding section 106(a)(1) of the Act: *Provided,* That $2,100,000 shall be available as a grant to the Housing Assistance Council, [$1,000,000] *$1,500,000* shall be available as a grant to the National American Indian Housing Council, and $49,000,000 shall be available for grants pursuant to section 107 of such Act, including up to $14,000,000 for the development and operation of a management information system: *Provided further,* That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available under the preceding proviso to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for ''Planning and Management Development'' and ''Administration'' as defined in regulations promulgated by the Department: *Provided further,* That for fiscal year 1997 and thereafter, section 105(a)(25) of such Act, shall continue to be effective and the termination and conforming provisions of section 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act shall not be effective: *Provided further,* That section 916(f) of the Cranston-Gonzalez National Affordable Housing Act is repealed.

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to $50,000,000 for grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals to become self-sufficient: Provided, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services shall include congregate services for the elderly and disabled, service coordinators, and coordinated educational, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: Provided further, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this head on a competitive basis, taking into account the quality of the proposed program (including any innovative approaches), the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary.

Of the amount made available under this heading, notwithstanding any other provision of law, [$20,000,000] *$40,000,000* shall be available for youthbuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading.

Of the amount made available under this heading, notwithstanding any other provision of law, $60,000,000 shall be available for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992.

For the cost of guaranteed loans, $31,750,000, as authorized by section 108 of the Housing and Community Development Act of 1974: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $1,500,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974. In addition, for administrative expenses to carry out the guaranteed loan program, $675,000 which shall be transferred to and merged with the appropriation for *departmental* salaries and expenses.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), as amended, $1,400,000,000, to remain available until expended: *Provided,* That $21,000,000 shall be available for grants to Indian Tribes: *Provided further,* That up to 0.5 percent, but not less than $7,000,000, shall be available for the development and operation of a management information system: *Provided further,* That $15,000,000 shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968.

HOMELESS ASSISTANCE FUNDS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77), as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), $823,000,000, to remain available until expended.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), $171,000,000, to remain available until expended: *Provided,* That any amounts previously appropriated for such program, and any related assets and liabilities, in the ''Annual contributions for assisted housing'' account, shall be transferred to and merged with amounts in this account.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1997, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $110,000,000,000: *Provided,* That during fiscal year 1997, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to $2,000,000,000, which notes were originally insured under section 203(b) of the National Housing Act: *Provided further,* That the Secretary may use the amount of any negative subsidy resulting from the sale of such assigned mortgage notes during fiscal year 1997 for the purposes included under this heading.

During fiscal year 1997, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed $200,000,000: *Provided,* That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under section 203 of such Act.

For administrative expenses necessary to carry out the guaranteed and direct loan program, **[**$341,595,000**]** *$350,595,000,* to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed **[**$334,483,000**]** *$343,483,000* shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed $7,112,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z–3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended) $85,000,0000, to remain available until expended: *Provided,* That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to $17,400,000,000: *Provided further,* That during fiscal year 1997, the Secretary shall sell assigned notes having an unpaid principal balance of up to $2,500,000,000, which notes are held by the Secretary under the General Insurance and Special Risk Insurance funds: *Provided further,* That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(a) of the National Housing Act, shall not exceed $120,000,000; of which not to exceed $100,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed $20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, **[**$202,470,000, of which $198,299,000**]** *$207,470,000, of which $203,299,000* shall be transferred to the appropriation for *departmental* salaries and expenses; and of which $4,171,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year 1997, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $110,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, **[**$9,101,000**]** *$9,383,000,* to be derived from the GNMA-guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed **[**$9,101,000**]** *$9,383,000* shall be transferred to the appropriation for *departmental* salaries and expenses.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z–1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $34,000,000, to remain available until September 30, 1998.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and for contracts with qualified fair housing enforcement organizations, as authorized by section 561 of the Housing and Community Development Act of 1987, as amended, $30,000,000, to remain available until September 30, 1998, of which $15,000,000 shall be to carry out activities pursuant to section 561.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, **[**$962,558,000 (reduced by $1,411,000) (reduced by $42,000,000)**]** *$976,840,000,* of which **[**$532,782,000**]** *$546,782,000* shall be provided from the various funds of the Federal Housing Administration, **[**$9,101,000**]** *$9,383,000* shall be provided from funds of the Government National Mortgage Association, and $675,000 shall be provided from the Community Development Grants Program account.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $52,850,000, of which $11,283,000 shall be provided from the various funds of the Federal Housing Administration and $5,000,000 shall be **[**provided**]** *transferred* from the amount earmarked for Operation Safe Home in the Drug elimination grants for low income housing account.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, **[**$14,895,000**]** *$15,751,000,* to remain available until expended, from the Federal Housing Enterprise Oversight Fund: *Provided,* That such amounts shall be collected by the Director as authorized by section 1316(a) and (b) of such Act, and deposited in the Fund under section 1316(f) of such Act.

ADMINISTRATIVE PROVISIONS

[SEC. 201. MINIMUM RENTS.—Notwithstanding section 3(a) and 8(o)(2) of the United States Housing Act of 1937, as amended, for fiscal year 1997—

[(1) public housing agencies shall require each family who is assisted under the certificate or moderate rehabilitation program under section 8 of such Act to pay a minimum monthly rent of up to $25;

[(2) public housing agencies shall reduce the monthly assistance payment on behalf of each family who is assisted under the voucher program under section 8 of such Act so that the family pays a minimum monthly rent of up to $25;

[(3) with respect to housing assisted under other programs for rental assistance under section 8 of such Act, the Secretary shall require each family who is assisted under such program to pay a minimum monthly rent of up to $25; and

[(4) public housing agencies shall require each family who is assisted under the public housing program (including public housing for Indian families) to pay a minimum monthly rent of up to $25.**]**

SEC. 201. EXTENDERS.—(a) PUBLIC HOUSING FUNDING FLEXIBILITY.—Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 is amended by striking ''1996'' and inserting ''1997''.

(b) ONE-FOR-ONE REPLACEMENT OF PUBLIC AND INDIAN HOUSING.—Section 1002(d) of Public Law 104–19 is amended by striking ''before September 30, 1996'' and inserting ''on or before September 30, 1997''.

(c) PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS, AND PREFERENCES.—(1) Section 402(a) of the Balanced Budget Downpayment Act, I is amended by inserting after ''1995'' the following: '', and effective for fiscal year 1997''.

(2) Section 402(f) of such Act is amended by striking ''fiscal year 1996'' and inserting ''fiscal years 1996 and 1997''.

(3) The second sentence of section 230 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 is amended by inserting before the period the following: ''during the entire time the family receives assistance under the United States Housing Act of 1937''.

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

(e) STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.—Section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 is amended by striking ''fiscal year 1996'' and inserting ''fiscal years 1996 and 1997''.

(f) SECTION 8 FAIR MARKET RENTALS AND DELAY IN REISSUANCE.—(1) The first sentence of section 403(a) of the Balanced Budget Downpayment Act, I, is amended by striking ''1996'' and inserting ''1997''.

(2) Section 403(c) of such Act is amended—

(A) by striking ''fiscal year 1996'' and inserting ''fiscal years 1996 and 1997''; and

(B) by inserting before the semicolon the following: ''for assistance made available during fiscal year 1996 and October 1, 1997 for assistance made available during fiscal year 1997''.

(g) SECTION 8 RENT ADJUSTMENTS.—Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended—

(1) in the third sentence by inserting '', fiscal year 1996 prior to April 26, 1996, and fiscal year 1997'' after ''1995'';

(2) in the fourth sentence, by striking ''For'' and inserting ''Except for assistance under the certificate program, for'';

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

(4) in the last sentence, by—

(A) striking ''sentence'' and inserting ''two sentences''; and

(B) inserting '', fiscal year 1996 prior to April 26, 1996, and fiscal year 1997'' after ''1995''.

SEC. 202. ADMINISTRATIVE FEES.—Notwithstanding section 8(q) of the United States Housing Act of 1937, as amended—

(a) The Secretary shall establish fees for the cost of administering the certificate, voucher and moderate rehabilitation programs.

(1)(A) For fiscal year 1997, the fee for each month for which a dwelling unit is covered by an assistance contract shall be 7.5 percent of the base amount, adjusted as provided herein, in the case of an agency that, on an annual basis, is administering a program of no more than 600 units, and 7 percent of the base amount, adjusted as provided herein, for each additional unit above 600.

(B) The base amount shall be the higher of—

(i) the fair market rental for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency; and

(ii) such fair market rental for fiscal year 1994, but not more than 103.5 percent of the amount determined under clause (i).

(C) The base amount shall be adjusted to reflect changes in the wage data or other objectively measurable data that reflect the costs of administering the program during fiscal year 1996; except that the Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

(2) For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for the agencies administering the program, based on changes in wage data or other objectively measurable data that reflect the cost of administering the program, as determined by the Secretary.

(3) The Secretary may increase the fee if necessary to reflect higher costs of administering small programs and programs operating over large geographic areas.

(4) The Secretary may decrease the fee for PHA-owned units.

(b) Beginning in fiscal year 1997 and thereafter, the Secretary shall also establish reasonable fees (as determined by the Secretary) for—

(1) the costs of preliminary expenses, in the amount of $500, for a public housing agency, but only in the first year it administers a tenant-based assistance program under the United States Housing Act of 1937 and only if, immediately before the effective date of this Act, it was not administering a tenant-based assistance program under the 1937 Act (as in effect immediately before the effective date of this Act), in connection with its initial increment of assistance received;

(2) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the program; and

(3) extraordinary costs approved by the Secretary.

SEC. 203. SINGLE FAMILY ASSIGNMENT PROGRAM.—Section 407(c) of the Balanced Budget Downpayment Act, I (12 U.S.C. 1710 note), is amended by striking ''October 1, 1996'' and inserting ''October 1, 1997''.

SEC. 204. FLEXIBLE AUTHORITY.—During fiscal year 1997 and fiscal years thereafter, the Secretary may manage and dispose of multifamily properties owned by the Secretary and multifamily mortgages held by the Secretary on such terms and conditions as the Secretary may determine, notwithstanding any other provision of law.

SEC. 205. USE OF AVAILABLE FUNDING FOR HOMEOWNERSHIP.—Up to $20,000,000 of amounts of unobligated balances that are or become available from the Nehemiah Housing Opportunity Grant program, repealed under section 289(b) of the Cranston-Gonzalez National Affordable Housing Act, Public Law 101–625, shall be available for use for activities relating to promotion and implementation of homeownership in targeted geographic areas, as determined by the Secretary.

SEC. 206. DEBT FORGIVENESS.—The Secretary of Housing and Urban Development shall cancel the indebtedness of the Greene County Rural Health Center relating to a loan received under the Public Facility Loan program to establish the health center (Loan #Mis–22–PFL0096). The Greene County Rural Health Center is hereby relieved of all liability to the Federal Government for such loan and any fees and charges payable in connection with such loan.

SEC. 207. FLEXIBLE SUBSIDY FUND.—From the fund established by section 236(g) of the National Housing Act, as amended, all uncommitted balances of excess rental charges as of September 30, 1996, and any collection during fiscal year 1997, shall be transferred, as authorized under such section, to the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended.

SEC. 208. RENTAL HOUSING ASSISTANCE.—The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z–1) is reduced in fiscal year 1997 by not more than $2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.

SEC. 209. D.C. MODERNIZATION FUNDING.—Notwithstanding the provisions of section 14(k)(5)(D) of the United States Housing Act of 1937, the withheld modernization funds that became credited in fiscal years 1993, 1994 and 1995, due to the troubled status of the former Department of Public and Assisted Housing of the District of Columbia, shall be made available without diminution to its successor, the District of Columbia Housing Authority, at such time between the effective date of this Act and the end of fiscal year 1998 as the District of Columbia Housing Authority is no longer deemed ''mod-troubled'' under section 6(j)(2)(A)(i) of such Act; after fiscal year 1998, the District of Columbia Housing Authority shall become subject to the provisions of section 14(k)(5)(D) of such Act should it remain mod-troubled.

SEC. 210. FINANCING ADJUSTMENT FACTORS.—Fifty per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section.

SEC. 211. SECTION 8 CONTRACT RENEWALS.—(a) AUTHORITY.—Notwithstanding section 405(a) of Public Law 104–99, for fiscal year 1997, the Secretary of Housing and Urban Development may use amounts available for the renewal of assistance under section 8 of the United States Housing Act of 1937, upon termination or expiration of a contract for assistance under section 8 (other than a contract for tenant-based assistance) to provide assistance under section 8, at rent levels not to exceed the lesser of (1) the rents in effect upon termination or expiration, or (2) comparable market rents, for the eligible families assisted under the contracts at expiration or termination but, in no case may rents be increased to comparable market rents. The contract term of such renewal of assistance shall not exceed one year. In the case of any project assisted under section 8, not insured under the National Housing Act, and for which the original primary financing was provided by a public agency and remains outstanding, contract rents shall be renewed at the rents in effect upon termination or expiration of the contract. Such assistance shall be in accordance with terms and conditions prescribed by the Secretary. The Secretary may approve assisted rents in excess of market rents (but not more than the rents in effect upon termination or expiration) for a particular housing project, but only if and to the extent that the Secretary finds that market rents are not sufficient to cover debt service and reasonable operating expenses for that project, taking into account reasonable operating costs for similar properties.

(b) REPEAL.—The sentence immediately preceding section 8(w) of the United States Housing Act of 1937 (42 U.S.C. 1437f(w)) is hereby repealed.

SEC. 212. FHA MULTIFAMILY DEMONSTRATION.—Section 210(f) of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (Public Law 104–134, 110 Stat. 1321, April 26, 1996) is amended (1) by striking out ''$30,000,000'' and inserting ''$40,000,000'' in lieu thereof, and (2) by inserting the following new proviso before the period: '': Provided further, That not less than $10,000,000 of the amount appropriated by this subsection shall be available for reducing monthly debt service costs by offering owners secondary mortgages on deferred payment terms''.

SEC. 213. HAWAIIAN HOME LANDS.—Section 282 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12832) is amended by

adding at the end the following new sentence: ''The Secretary may waive this section in connection with the use of funds made available under this title on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).''.

TITLE III

INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries; $22,265,000, to remain available until expended: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as Secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

For grants, loans, and technical assistance to qualifying community development lenders, and administrative expenses of the Fund, $45,000,000, to remain available until September 30, 1998, of which $8,000,000 may be used for the cost of direct loans, and up to $800,000 may be used for administrative expenses to carry out the direct loan program: *Provided*, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That not more than $19,400,000 of the funds made available under this heading may be used for programs and activities authorized in section 114 of the Community Development Banking and Financial Institutions Act of 1994.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $42,500,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Corporation for National and Community Service (referred to in the matter under this heading as the ''Corporation'') in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (referred to in the matter under this heading as the ''Act'') (42 U.S.C. 12501 et seq.), **[**$365,000,000**]** *$400,500,000*, of which $265,000,000 shall be available for obligation from September 1, 1997, through September 30, 1998: *Provided*, That not more than $25,000,000 shall be available for administrative expenses authorized under section 501(a)(4) of the Act (42 U.S.C. 12671(a)(4)): *Provided further*, That not more than $2,500 shall be for official reception and representation expenses: *Provided further*, That not more than **[**$40,000,000**]** *$59,000,000*, to remain available without fiscal year limitation, shall be transferred to the National Service Trust account for educational awards authorized under subtitle D of title I of the Act (42 U.S.C. 12601 et seq.): *Provided further*, That not more than **[**$201,000,000**]** *$215,000,000* of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the Act (42 U.S.C. 12571 et seq.) (relating to activities including the Americorps program), *of which not more than $40,000,000 may be used to administer, reimburse or support any national service program authorized under section 121(d)(2) of such Act (42 U.S.C. 12581(d)(2))*: *Provided further*, That not more than **[**$5,000,000**]** *$5,500,000* of the funds made available under this heading shall be made available for the Points of Light Foundation for activities authorized under title III of the Act (42 U.S.C. 12661 et seq.): *Provided further*, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): *Provided further*, That to the maximum extent feasible, funds appropriated in the preceding proviso shall be provided in a manner that is consistent with the recommendations of peer review panels in order to ensure that priority is given to programs that demonstrate quality, innovation, replicability, and sustainability: *Provided further*, That not more than **[**$17,500,000**]** *$18,000,000* of the funds made available under this heading shall be available for the Civilian Community Corps authorized under subtitle E of title I of the Act (42 U.S.C. 12611 et seq.): *Provided further*, That not more than **[**$41,500,000**]** *$43,000,000* shall be available for school-based and community-based service-learning programs authorized under subtitle B of title I of the Act (42 U.S.C. 12521 et seq.): *Provided further*, That not more than $30,000,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.): *Provided further*, That not more than $5,000,000 shall be available for audits and other evaluations authorized under section 179 of the Act (42 U.S.C. 12639): *Provided further*, That no funds from any other appropriation, or from funds otherwise made available to the Corporation, shall be used to pay for personnel compensation and benefits, travel, or any other administrative expense for the Board of Directors, the Office of the Chief Executive Officer, the Office of the Managing Director, the Office of the Chief Financial Officer, the Office of National and Community Service Programs, the Civilian Community Corps, or any field office or staff of the Corporation working on the National and Community Service or Civilian Community Corps programs: *Provided further*, That to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, shall expand significantly the number of educational awards provided under subtitle D of title I, and shall reduce the total Federal costs per participant in all programs.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $2,000,000.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. sections 7251–7292, $9,229,000 **[**(increased by $1,411,000)**]**, of which **[**$634,000**]** *$700,000*, to remain available until September 30, 1998, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–227.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of one passenger motor vehicle for replacement only, and not to exceed $1,000 for official reception and representation expenses, $11,600,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation and renovation of facilities, not to exceed $75,000 per project, **[**$540,000,000 (reduced by $1,500,000)**]** *$545,000,000*, which shall remain available until September 30, 1998.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses, **[**$1,703,000,000 (increased by $1,500,000)**]** *$1,713,000,000*, which shall remain available until September 30, 1998.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $28,500,000.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed

equipment or facilities of, or for use by, the Environmental Protection Agency, [$107,220,000] *$27,220,000*, to remain available until expended[:*Provided*, That EPA is authorized to establish and construct a consolidated research facility at Research Triangle Park, North Carolina, at a maximum total construction cost of $232,000,000, and to obligate such monies as are made available by this Act for this purpose: *Provided further*, That EPA is authorized to construct such facility through multi-year contracts incrementally funded through appropriations hereafter made available for this project: *Provided further*, That, notwithstanding the previous provisos, for monies obligated pursuant to this authority, EPA may not obligate monies in excess of those provided in advance in annual appropriations, and such contracts shall clearly provide for this limitation].

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111 (c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; not to exceed [$2,201,200,000] *$1,394,245,000 (of which $100,000,000 shall not become available until September 1, 1997)*, to remain available until expended, consisting of [$1,951,200,000] *$1,144,245,000* as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $250,000,000 as a payment from general revenues to the Hazardous Substance Superfund as authorized by section 517(b) of SARA, as amended by Public Law 101–508: *Provided*, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: *Provided further*, That $11,000,000 of the funds appropriated under this heading shall be transferred to the ''Office of Inspector General'' appropriation to remain available until September 30, 1997: *Provided further*, That notwithstanding section 111(m) of CERCLA or any other provision of law, not to exceed [$59,000,000] *$64,000,000* of the funds appropriated under this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of the Superfund Amendments and Reauthorization Act of 1986: *Provided further*, That $35,000,000 of the funds appropriated under this heading shall be transferred to the ''Science and technology'' appropriation to remain available until September 30, 1998: *Provided further*, That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1997[: *Provided further*, That $861,000,000 of the funds appropriated under this heading shall become available for obligation only upon the enactment of future appropriations legislation that specifically makes these funds available for obligation: Provided further, That $1,200,000 of the funds appropriatated under this heading shall be used by the Agency for Toxic Substances and Disease Registry to conduct a health effects study of the Toms River Cancer Cluster in the Toms River area in the State of New Jersey].

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, [$46,500,000 (increased by $20,000,000)] *$60,000,000*, to remain available until expended: *Provided*, That no more than $7,000,000 shall be available for administrative expenses: *Provided further*, That $577,000 shall be transferred to the ''Office of Inspector General'' appropriation to remain available until September 30, 1997.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, $15,000,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended: *Provided*, That not more than $8,000,000 of these funds shall be available for administrative expenses.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, [$2,768,207,000] *$2,815,207,000*, to remain available until expended, of which [$1,800,000,000] *$1,976,000,000* shall be for making capitalization grants for State revolving funds to support water infrastructure financing; $100,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission; $50,000,000 for grants to the State of Texas, which shall be matched by an equal amount of State funds from State resources, for the purpose of improving wastewater treatment for colonias; $15,000,000 for grants to the State of Alaska subject to an appropriate cost share as determined by the Administrator, to address *water supply and* wastewater infrastructure needs of rural and Alaska Native Villages; [$129,000,000 for making grants for the construction of wastewater treatment facilities and the development of groundwater in accordance with the terms and conditions specified for such grants in the Report accompanying this Act;] and $674,207,000 for grants to States and federally recognized tribes for multi-media or single media pollution prevention, control and abatement and related activities pursuant to the provisions set forth under this heading in Public Law 104–134: *Provided*, That, from funds appropriated under this heading, the Administrator may make grants to federally recognized Indian governments for the development of multi-media environmental programs: *Provided further, That notwithstanding any other provision of law, beginning in fiscal year 1997 the Administrator may make grants to States, from funds available for obligation in the State under title II of the Federal Water Pollution Control Act, as amended, for administering the completion and closeout of the State's construction grants program, based on a budget annually negotiated with the State: Provided further*, That of the [$1,800,000,000] *$1,976,000,000* for capitalization grants for State revolving funds to support water infrastructure financing, [$450,000,000] *$550,000,000* shall be for drinking water State revolving funds, but if no drinking water State revolving fund legislation is enacted by June 1, 1997, these funds shall immediately be available for making capitalization grants under title VI of the Federal Water Pollution Control Act, as amended.

WORKING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

There is hereby established in the Treasury a franchise fund pilot to be known as the ''Working capital fund'', as authorized by section 403 of Public Law 103–356, to be available as provided in such section for expenses and equipment necessary for the maintenance and operation of such administrative services as the Administrator determines may be performed more advantageously as central services: *Provided*, That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made hereafter for the purpose of providing capital, shall be used to capitalize such fund: *Provided further*, That such fund shall be paid in advance from funds available to the Agency and other Federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount necessary to maintain a reasonable operating reserve, as determined by the Administrator: *Provided further*, That such fund shall provide services on a competitive basis: *Provided further*, That an amount not to exceed four percent of the total annual income to such fund may be retained in the fund for fiscal year 1997 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment and for the improvement and implementation of Agency financial management, ADP, and other support systems: *Provided further*, That no later than thirty days after the end of each fiscal year amounts in excess of this reserve limitation shall be transferred to the Treasury: *Provided further*, That such franchise fund pilot shall terminate pursuant to section 403(f) of Public Law 103–356.

[ADMINISTRATIVE PROVISION

[SEC. 301. Notwithstanding any other provision of law, funds made available in this Act to the Environmental Protection Agency for any account, program or project may be transferred to Science and Technology for necessary research activities, subject to the terms and conditions set forth in the Report accompanying this Act.]

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed $2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $4,932,000.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, [$2,250,000] *$2,436,000*.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [$1,120,000,000] *$1,320,000,000*, and, notwithstanding 42 U.S.C. 5203, to become available

for obligation on September 30, 1997, and remain available until expended.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For the cost of direct loans, $1,385,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $548,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses, [$168,000,000] *$166,733,000*.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [$4,533,000] *$4,673,000*.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404–405), and Reorganization Plan No. 3 of 1978, [$209,101,000] *$199,101,000*.

EMERGENCY FOOD AND SHELTER PROGRAM

To carry out an emergency food and shelter program pursuant to title III of Public Law 100–77, as amended, $100,000,000: *Provided,* That total administrative costs shall not exceed three and one-half percent of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, and the National Flood Insurance Reform Act of 1994, not to exceed $20,981,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed $78,464,000 for flood mitigation, including up to $20,000,000 for expenses under section 1366 of the National Flood Insurance Act, which amount shall be available until September 30, 1998. In fiscal year 1997, no funds in excess of (1) $47,000,000 for operating expenses, (2) $335,680,000 for agents' commissions and taxes, and (3) $35,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. For fiscal year 1997, flood insurance rates shall not exceed the level authorized by the National Flood Insurance Reform Act of 1994.

WORKING CAPITAL FUND

For the establishment of a working capital fund for the Federal Emergency Management Agency, to be available without fiscal year limitation, for expenses and equipment necessary for maintenance and operations of such administrative services as the Director determines may be performed more advantageously as central services: *Provided,* That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made hereafter for the purpose of providing capital, shall be used to capitalize such fund: *Provided further,* That such fund shall be reimbursed or credited with advance payments from applicable appropriations and funds of the Federal Emergency Management Agency, other Federal agencies, and other sources authorized by law for which such centralized services are performed, including supplies, materials, and services, at rates that will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount necessary to maintain a reasonable operating reserve as determined by the Director: *Provided further,* That income of such fund may be retained, to remain available until expended, for purposes of the fund: *Provided further,* That fees for services shall be established by the Director at a level to cover the total estimated costs of providing such services, such fees to be deposited in the fund shall remain available until expended for purposes of the fund: *Provided further,* That such fund shall terminate in a manner consistent with section 403(f) of Public Law 103–356.

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a methodology for assessment and collection of fees to be assessed and collected beginning in fiscal year 1997 applicable to persons subject to the Federal Emergency Management Agency's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1997 shall approximate, but not be less than, 100 per centum of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The methodology for assessment and collection of fees shall be fair and equitable, and shall reflect the full amount of costs of providing radiological emergency planning, preparedness, response and associated services. Such fees shall be assessed in a manner that reflects the use of agency resources for classes of regulated persons and the administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts. Assessment and collection of such fees are only authorized during fiscal year 1997.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER FUND

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $2,260,000, to be deposited into the Consumer Information Center Fund: *Provided,* That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $7,500,000. [Administrative expenses of the Consumer Information Center in fiscal year 1997 shall not exceed $2,602,000.] Appropriations, revenues, and collections accruing to this fund during fiscal year 1997 in excess of $7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts[: *Provided further,* That notwithstanding any other provision of law, the Consumer Information Center may accept and deposit to this account, during fiscal year 1997, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational material; may expend up to $1,100,000 of those gifts for those purposes, in addition to amounts otherwise appropriated; and the balance shall remain available for expenditure for such purpose to the extent authorized in subsequent appropriations Acts]*: Provided further, That notwithstanding any other provision of law, the Consumer Information Center may accept and deposit to this account, during fiscal year 1997 and hereafter, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational materials and undertaking other consumer information activities; may expend those gifts for those purposes, in addition to amounts appropriated or otherwise made available; and the balance shall remain available for expenditure for such purpose.*

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,362,900,000, to remain available until September 30, 1998.

SCIENCE, AERONAUTICS AND TECHNOLOGY

For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and technology research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, [$5,662,100,000] *$5,762,100,000*, to remain available until September 30, 1998. Chapter VII of Public Law 104–6 is amended under the heading, ''National Aeronautics and Space Administration'' by replacing ''September 30, 1997'' with ''September 30, 1998'' and ''1996'' with ''1997''.

MISSION SUPPORT

For necessary expenses, not otherwise provided for, in carrying out mission support for human space flight programs and science, aeronautical, and technology programs, including research operations and support; space communications activities including operations, production and services; maintenance; construction of facilities including repair, rehabilitation, and modification of facilities, minor construction of new facilities

and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; travel expenses; purchase, lease charter, maintenance, and operation of mission and administrative aircraft; not to exceed $35,000 for official reception and representation expenses; and purchase (not to exceed 33 for replacement only) and hire of passenger motor vehicles; $2,562,200,000, to remain available until September 30, 1998.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $17,000,000.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

Notwithstanding the limitation on the availability of funds appropriated for ''Human space flight'', ''Science, aeronautics and technology'', or ''Mission support'' by this appropriations Act, when (1) any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, or (2) amounts are provided for full-funding for the Tracking and Data Relay Satellite (TDRS) replenishment program, such amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated in ''Mission support'' pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

Notwithstanding the limitation on the availability of funds appropriated for ''Human space flight'', ''Science, aeronautics and technology'', or ''Mission support'' by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 1999.

Notwithstanding the limitation on the availability of funds appropriated for ''Mission support'' and ''Office of Inspector General'', amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September 30, 1997 and may be used to enter into contracts for training, investigations, cost associated with personnel relocation, and for other services, to be provided during the next fiscal year.

In order to avoid or minimize the need for involuntary separations due to a reduction in force, installation closure, reorganization, transfer of function, or similar action affecting the National Aeronautics and Space Administration, the Administrator shall establish a program under which separation pay, subject to the availability of appropriated funds, may be offered to encourage employees to separate from service voluntarily, whether by retirement or resignation: Provided, That payments to individual employees shall not exceed $25,000.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 1997, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed $600,000,000: *Provided,* That administrative expenses of the Central Liquidity Facility in fiscal year 1997 shall not exceed $560,000: *Provided further,* That $1,000,000, together with amounts of principal and interest on loans repaid, to be available until expended, is available for loans to community development credit unions.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft; **[**$2,422,000,000 (increased by $9,110,000)**]** *$2,432,000,000*, of which not to exceed $226,000,000 shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 1998: *Provided,* That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: *Provided further,* That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

MAJOR RESEARCH EQUIPMENT

For necessary expenses of major construction projects pursuant to the National Science Foundation Act of 1950, as amended, $80,000,000, to remain available until expended.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, **[**$612,000,000**]** *$624,000,000*, to remain available until September 30, 1998: *Provided,* That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

SALARIES AND EXPENSES

For necessary salaries and expenses of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services and headquarters relocation; $134,310,000 **[**(reduced by $9,110,000)**]**: *Provided,* That contracts may be entered into under salaries and expenses in fiscal year 1997 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, $4,690,000, to remain available until September 30, 1998.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), **[**$50,000,000**]** *$49,900,000*.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

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

TITLE IV—GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefore in the budget estimates submitted for the appropriations: *Provided, That this provision does not apply to accounts that do not contain an object classification for travel: Provided further,* That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: *Provided further,* That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefore set forth in the estimates in the same proportion.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

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

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

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

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

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of any officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: *Provided,* That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for Level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 409. None of the funds provided in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 410. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder, and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared, and (B) the contractor who prepared the report pursuant to such contract.

SEC. 412. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 413. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than $300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 415. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

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

SEC. 416. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A–21.

SEC. 417. Such sums as may be necessary for fiscal year 1997 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 418. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 419. Such funds as may be necessary to carry out the orderly termination of the Office of Consumer Affairs shall be made available from funds appropriated to the Department of Health and Human Services for fiscal year 1997.

SEC. 420. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1997 for such corporation or agency except as hereinafter provided: *Provided,* That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

[SEC. 421. None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries of personnel who approve a contract for the purchase, lease, or acquisition in any manner of supercomputing equipment or services after a preliminary determination, as defined in 19 U.S.C. 1673b, or final determination, as defined in 19 U.S.C. 1673d, by the Department of Commerce that an organization providing such supercomputing equipment or services has offered such product at other than fair value.

[SEC. 422. None of the funds made available in this Act for the National Aeronautics and Space Administration may be used for the National Center for Science Literacy, Education and Technology at the American Museum of Natural History.

[SEC. 423. (a) DENIAL OF FUNDS FOR PREVENTING ROTC ACCESS TO CAMPUS.—None of the funds made available in this Act may be provided by contract or by grant (including a grant of funds to be available for student aid) to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

[(1) the maintaining, establishing, or operation of a unit of the Senior Reserve Officer Training Corps (in accordance with section 654 of title 10, United States Code, and other applicable Federal laws) at the institution (or subelement); or

[(2) a student at the institution (or subelement) from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

[(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

[(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

[(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

[SEC. 424. (a) DENIAL OF FUNDS FOR PREVENTING FEDERAL MILITARY RECRUITING ON CAMPUS.—None of the funds made available in this Act may be provided by contract or grant (including a grant of funds to be available for student aid) to any institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

[(1) entry to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of Federal military recruiting; or

[(2) access to the following information pertaining to students (who are 17 years of age or older) for purposes of Federal military recruiting: student names, addresses, telephone listings, dates and places of birth, levels of education, degrees received, prior military experience, and the most recent previous educational institutions enrolled in by the students.

[(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

[(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

[(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

[SEC. 425. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity when it is made known to the Federal official having authority to obligate or expend such funds that—

[(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

[(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

[SEC. 426. The amount provided in title I for ''Veterans Health Administration—Medical Care'' is hereby increased by, the amount provided in title I for ''Departmental Administration—General operating expenses'' is hereby increased by, and the total of the amounts of budget authority provided in this Act for payments not required by law for the fiscal year ending September 30, 1997 (other than any amount of budget authority provided in title I and any such amount provided in title III for the American Battle Monuments Commission, the Court of Veterans Appeals, or Cemeterial Expenses, Army), is hereby reduced by, $40,000,000, $17,000,000, and 0.40 percent, respectively.

[SEC. 427. The amounts otherwise provided by this Act are revised by increasing the amount made available for ''Veterans Health Administration—Medical Care'', increasing the amount made available for ''Veterans Health Administration—Medical and Prosthetic Research'', reducing the amount made available for ''Corporation for National and Community Service—National and Community Service Programs Operating Expenses'', and reducing the amount made available for ''Corporation for National and Community Service—Office of Inspector General'', by $20,000,000, $20,000,000, $365,000,000, and $2,000,000, respectively.

[SEC. 428. None of the funds made available in this Act may be used by the Environmental Protection Agency to issue, reissue, or renew any approval or authorization for any facility to store or dispose of polychlorinated biphenyls when it is made known to the Federal official having authority to obligate or expend such funds that there is in effect at the time of the issuance, reissuance, or renewal a rule authorizing any person to import into the customs territory of the United States for treatment or disposal any polychlorinated biphenyls, or polychlorinated biphenyl items, at concentrations of more than 50 parts per million.

[SEC. 429. None of the funds made available to the Environmental Protection Agency under the heading ''Hazardous Substance Superfund'' may be used to implement any retroactive liability discount reimbursement described in the amendment made by section 201 of H.R. 2500, as introduced on October 18, 1995.

[SEC. 430. FHA MORTGAGE INSURANCE PREMIUMS.—Section 203(c)(2)(A) of the National Housing Act (12 U.S.C. 1709(c)(2)(A)) is amended by inserting after the first sentence the following new sentence: ''In the case of mortgage for which the mortgagor is a first-time homebuyer who completes a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Secretary, the premium payment under this subparagraph shall not exceed 2.0 percent of the amount of the original insured principal obligation of the mortgage.''.

[SEC. 431. (a) AUTHORITY TO USE AMOUNTS BORROWED FROM FAMILY MEMBERS FOR DOWNPAYMENTS ON FHA-INSURED LOANS.—Section 203(b)(9) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended by inserting before the period at the end the following: '': *Provided further*, That for purposes of this paragraph, the Secretary shall consider as cash or its equivalent any amounts borrowed from a family member (as such term is defined in section 201), subject only to the requirements that, in any case in which the repayment of such borrowed amounts is secured by a lien against the property, such lien shall be subordinate to the mortgage and the sum of the principal obligation of the mortgage and the obligation secured by such lien may not exceed 100 percent of the appraised value of the property plus any initial service charges, appraisal, inspection, and other fees in connection with the mortgage''.

[(b) DEFINITION OF FAMILY MEMBER.—Section 201 of the National Housing Act (12 U.S.C. 1707) is amended by adding at the end the following new subsections:

[''(e) The term 'family member' means, with respect to a mortgagor under such section, a child, parent, or grandparent of the mortgagor (or the mortgagor's spouse). In determining whether any of the relationships referred to in the preceding sentence exist, a legally adopted son or daughter of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), and a foster child of an individual, shall be treated as a child of such individual by blood.

[''(f) The term 'child' means, with respect to a mortgagor under such section, a son, stepson, daughter, or stepdaughter of such mortgagor.''.

[SEC. 432. Sections 401 and 402 of the bill, H.R. 1708, 104th Congress, as introduced in the House of Representatives on May 24, 1995, are hereby enacted into law.

[SEC. 433. None of the funds made available in this Act for the National Aeronautics and Space Administration may be used to carry out, or pay the salaries of personnel who carry out, the Bion 11 and Bion 12 projects.]

TITLE V

SUPPLEMENTAL

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

During fiscal year 1996 and in addition to commitments previously provided, additional commitments to issue guarantees to carry out section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $20,000,000,000.

This Act may be cited as the ''Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997''.

The PRESIDING OFFICER (Mr. COATS). The Senator from Missouri is recognized.

Mr. BOND. I thank the Chair and thank my colleague, the ranking member, the distinguished Senator from Maryland.

Before proceeding with the opening statements and the usual motions to begin consideration of the appropriations bill—and we are going to be doing a lot of that today—I would like to go over, for our Members and the staff, our intentions, how we would like to be able to expedite floor consideration of this measure.

The bill was reported by the Committee on Appropriations 6 weeks ago, on July 11. We tried very hard to minimize the number of new issues raised in the recommendations. Where compromises have been achieved, we have restated bill language and mirrored funding levels, reflecting the agreements for the current fiscal year. We think we have made a good-faith effort to avoid reopening controversial issues.

Again, I express my sincere thanks to the ranking member. This has been a bipartisan effort to try to move this bill forward. But in an $85 billion appropriations bill, there are disputes and policy differences. We did make a concerted effort to minimize the issues, specifically with the intent of facilitating consideration of this bill. It is critical that we move this bill quickly if we are to avoid the disruption, the waste, and inefficiencies which would result if we failed to enact the bill before the start of the fiscal year and have to resort to cumbersome continuing resolutions or other measures.

I add, as I did in the discussion when this bill was brought up en bloc for consideration prior to the August recess, that there is a supplemental appropriation, increasing the loan limitation of the Government National Mortgage Corporation, or Ginnie Mae, as most people know it, which has to be enacted soon to prevent the disruption of orderly placement and financing of FHA- and Veterans' Administration-guaranteed mortgages later this month. If we do not get this bill passed and sent to the President, they are going to run out of opportunities to refinance these mortgages later this month. I think that is something we ought to be concerned about.

The bill also provides an extension of the Federal Emergency Management Agency flood insurance authorization, which is necessary to continue FEMA's writing of these critical insurance policies beyond the end of this month. Coming from a State where floods happen and flood insurance is vital, I ask all my colleague to focus on the fact that there are these gravely needed portions of the bill that are in some ways even more important than the appropriations parts for some individuals.

It is my view that our efforts to avoid unnecessary disputes have been successful, laying the groundwork for a relatively quick disposition of the bill. I will be making the standard motions for en bloc consideration of the committee amendments after my ranking member has the opportunity to be heard.

In the course of that motion, I will propose a compromise on the FHA home mortgage issue, which provides for a narrow demonstration of a revised downpayment formula, limited to the States of Alaska and Hawaii, which I believe is acceptable to all sides. We

had much interest from Members on the entire matter of the FHA issues. I want everyone to be on notice we are going to be dealing with those. We hope the compromise is acceptable.

Beyond that matter, we have a number of other noncontroversial amendments, several of which make necessary technical and clarifying changes in the bill. We have heard of other issues which we are attempting to work out. All Members, please be on notice that at this point we can dispose of all but a handful of amendments within the hour. At that time it is the floor managers' intent to seek time agreements on remaining amendments which do require some debate and rollcall votes. We are limited in the amount of time that we have to deal with this bill. I ask Members or their staffs to contact us so we can provide this in an orderly fashion, for debate today and votes tomorrow, to move on with this bill.

The issues in dispute include an amendment to delete the space station funding, by the Senator from Arkansas, Mr. BUMPERS; an amendment by the Senators from New Hampshire and Wisconsin, Mr. SMITH and Mr. FEINGOLD, proposing to terminate U.S. participation in the Bion space life sciences mission; and one by the minority leader, the Senator from South Dakota, relating to a new VA entitlement program and discretionary benefits for the offspring of veterans in Vietnam suffering from spina bifida. I hope we can arrive at time agreements so we can air all sides of these issues and move on to a prompt resolution.

I ask any Member who has an issue to come down to the floor and to work with us to address these concerns. If you work with our floor staff and leadership, we will be seeking to limit time for debate on a short list of remaining amendments by the conclusion of debate today. Again, I urge any Member who has concern over an issue under the subcommittee's jurisdiction, come to the floor so we can work to find an acceptable compromise or at least establish time agreements to facilitate debate and disposition.

From past experience, I know there are likely to be a flurry of colloquies that we are asked to accept at the last moment. We have had some of those submitted to us. Both the ranking member and I need to look at the colloquies. In the past, sometimes colloquies have gone in which have caused problems for other Senators. We will be happy to accept as many of the colloquies as we can, if we can get them cleared and make sure that everyone is comfortable with them. But to do that we really need to have them by 5 o'clock today if we are to be able to give them the full consideration so that we do not have any unnecessary delay tomorrow or have to put off consideration of those issues to a later time.

Mr. President, having said that, it is my pleasure to present to the Senate the VA, HUD, and independent agencies appropriations bill for fiscal year 1997 as reported by the Committee on Appropriations. I am especially pleased that I am doing so prior to the start of the fiscal year rather than 6 months after it has begun. That is a pleasant change for us. None of us want to repeat the long delays and frustrations we experienced during the past year, being unable to enact this critical funding measure. Unfortunately, less than a month of legislative activity remains in this session.

So if we are to avoid a lapse of funding, or the necessity of a continuing resolution, and if we are to deal with the problems that I mentioned in my earlier statements, we have to act quickly. The bill before us attempts to provide a fair and balanced approach to many competing programs and activities under the VA–HUD subcommittee's jurisdiction, within the constraints imposed by a very tight budget allocation. We have attempted to avoid reopening past disagreements and controversy which blocked the bill last year. It is our hope that by pursuing this course, we can expedite consideration and enactment of the measure.

Our efforts to facilitate this measure has meant that the bill, in a number of respects, reflects funding levels and policies which are compromises between very different viewpoints. Nobody is going to be happy with all of the decisions we have reached in this bill. Certainly I have had to make many compromises myself in the hopes of making it acceptable.

One example is inclusion of funds at the 1996 enacted level for the Corporation for National and Community Service. I and many others on my side continue to have some strong reservations about the program. No doubt that failure to fund the program would result in a Presidential veto. I think that there are reforms that have been enacted and will be enacted that can improve the operation of the program.

Despite the misgivings, the bill proposes to maintain the current level of funding for the program, less than what is requested, more than what I believe is warranted, but certainly more than would be included in a continuing resolution or other subsequent action if we have to deal with vetoes of this measure.

With respect to other agencies funded in the bill, the committee has attempted to balance a wide variety of competing interests within a very constrained budget allocation. The committee recommendation provides $39 billion for the Department of Veterans Affairs, including full funding for VA medical care and an increase for VA research.

VA medical programs were afforded the highest priority in order to assure quality care for all veterans. The veterans currently being served by the VA will receive that quality care. There will be a smooth transition to a new organizational structure with the emphasis we expect on a managed care approach.

For the Department of Housing and Urban Development, the committee recommendation continues the policies and programmatic reforms enacted last year. We are hopeful and strongly support enactment of a comprehensive public and assisted housing reform bill from the authorizing committees. Make no mistake about it, we believe that we have to have authorizing legislation. We would like to see it done. But this appropriations bill contains temporary extensions of provisions needed to halt the ever increasing cost of housing subsidy commitments.

And as I point out, and as the Secretary has agreed, under the reduced funding levels, many of these programmatic changes have to be made right now in the appropriations measure to enable particularly local housing authorities, public housing agencies to deal with the reduced levels of funding. We cannot cut back on the funds without giving relief to the local agencies who must administer the program. That is why in the HUD provisions there are temporary authorizing provisions to facilitate their use of the lower amounts of resources available until such time as we get a good authorizing bill that establishes a new framework.

Similarly, the appropriations bill complements the multifamily housing restructuring proposals now under consideration by the authorizing committee. We cannot continue excessive subsidies currently being paid to sustain the inventory of nearly a million apartments for low-income families. Unless we in Congress act to reduce the excessive debt of this housing inventory along with implementing other management improvements, there could be massive defaults and widespread resident displacement. So make no mistake about it, the housing provisions in this appropriations bill are vitally important.

The complexity and difficulty of developing a consensus on these issues obviously is substantial. Project owners, including limited and general partners, project managers, the residents themselves with the greatest stake in it, the State housing finance agencies, local community development organizations, bondholders, and municipal governments are among those with significant interests in how we address this issue.

These interests are, while we seek the same general goals, often divergent and sometimes competing. We must be mindful of the fact that we have billions of taxpayer dollars previously invested in this multifamily housing inventory, and billions more which are at risk over the next several years depending on which policies and financing mechanisms we select to deal with these issues.

The reported bill reflects our attempts at finding a reasonable balance between these sometimes conflicting

concerns. We cannot afford to continue to pay excessive, way above market-rate subsidies for these multifamily housing projects through our supplements of rent through section 8, even those which provide very good housing for low-income families. And some portions of this inventory, I might add, are little more than slums that it was intended to replace. Those have to be dealt with as well.

The committee recommendation is not a comprehensive solution. We are striving for a workable compromise. It simply is an attempt to deal with the issues in that fraction of the multifamily inventory that has section 8 contracts expiring during fiscal year 1997. We are acting solely because of affirmative efforts and the forward motion necessary to prevent defaults and potential resident displacement during the fiscal year. This ought to be of great importance to all Members of this body.

Many people will shy away from housing because it is complicated. But let me tell you, if we fail to do our job, there could be citizens in our States who are left without housing, which I think is a result that we must avoid.

Since this bill was reported, we have heard from a number of affected parties, including the Department of Housing and Urban Development, who have made suggestions as to how our proposal could be improved or made more effective. We are examining these ideas and incorporating the good ones as they come along.

We may be able to recommend a perfecting amendment to our multifamily housing provisions. We intend to do so before the bill is finally passed. In any event, since the House bill contained no recommendations on this issue, we will have extensive discussions on these concerns prior to and during conference. I hope that we can come out of conference, if not out of this body, which will be my first choice, with a workable temporary solution.

Mr. President, I wish to acknowledge and express my sincere thanks for the critically important role that the Senator from Oregon, the chairman of our full Appropriations Committee, has played in addressing the potential adverse effects of the House budgetary allocations. Specifically, Senator HATFIELD has recognized how that allocation would curtail our ability to maintain housing occupied by low-income families in developments which could prepay their subsidized mortgages and convert to market-rate housing.

Based on the chairman's recommendation, the committee revised the subcommittee's allocation which enabled us to include $19.7 billion for HUD. Perhaps what is more important, the increase in our outlay allocation allowed the increased funding for activities which prevent the displacement of currently assisted families through contract renewals and housing prevention payments.

I am especially pleased that the bill restores funding for the Community Development Block Grants program, the CDBG, at the current full fiscal year 1996 level of $4.6 billion and does not have to withhold $300 million from the obligation as was proposed in the House-passed bill, operating under a lower allocation.

For the Environmental Protection Agency, the recommendation totals $6.6 billion, an increase of $70 million over last year, with increases in key areas, particularly grants to States. Most programs are funded at last year's level, and programs such as Superfund and safe drinking water revolving funds are increased as requested by the President. Despite the very compelling arguments made by some Members, this recommendation does not include so-called riders in EPA in view of our desire to keep this bill as free of controversy as possible in the limited time available.

For FEMA, the bill provides the President's full request and, in addition, restores $1 billion in previously rescinded disaster relief funds which FEMA anticipates will be needed to meet ongoing disaster relief requirements.

The recommendations for NASA totals $13.7 billion, an increase of $100 million over the House, and restores funds for the critical Mission to Planet Earth program to study global climate change.

Finally, $3.27 billion is recommended for the National Science Foundation, an increase of $55 million over the 1996 level and $22 million over the House amount, with very high priority given to instrumentation and informal science education.

I note it was only 4 months ago we finally gained enactment of the bill for the current fiscal year. As a consequence, much of what is recommended simply builds on agreements achieved in that measure. Mr. President, in aggregate, this bill appears to provide $2.1 billion more than the fiscal year 1996 appropriations level. But this reflects two major adjustments which are unrelated to program levels. The first is an increase of $1.1 billion to replenish the FEMA disaster relief account, which was drained by that amount to accommodate other appropriations measures in the cycle for the current year. The other change is $948 million in one-time legislative savings which were enacted for HUD housing programs. When these adjustments are made, the net aggregate increase in program funding is reduced to $84 million, or just one-tenth of 1 percent of the fiscal year 1996 appropriation.

Mr. President, this very modest increase, all but a freeze, reflects the net of increases and decreases in several of our agencies. The biggest increase, $481 million, was provided for the discretionary programs of the Department of Veterans Affairs. The only other agencies to receive significant increases were the Environmental Protection Agency, with a $70 million increase, and the National Science Foundation, which received $55 million more than last year. These increases were offset by cuts of $411 million in HUD and $200 million in NASA.

Finally, again, I express my sincere appreciation to my ranking member and valuable colleague, the Senator from Maryland. I appreciate her assistance and cooperation in putting this bill together. I now take pleasure in yielding the floor to her for such statement as she wishes to make.

PRIVILEGE OF THE FLOOR

Ms. MIKULSKI. Mr. President, I ask unanimous consent that during the consideration of H.R. 3666, Miss Catherine Corson, a detailee from the National Science Foundation serving with the VA–HUD subcommittee, be provided floor privileges.

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

Ms. MIKULSKI. Mr. President, I know we are debating the VA-HUD bill, and I want to make my comments on it. I think, like all Americans today, our thoughts and our prayers are with our U.S. military, who, once again, are called upon to stand sentry to protect those who cannot protect themselves. For all who might be watching this on C-SPAN and seeing how we want to help the veterans, we are going to keep our promises to America's veterans, but we should really hold these men and women in our hearts today.

Today, I want to join my distinguished colleague, the Senator from Missouri, to offer for floor debate the fiscal year 1997 appropriations bill. This is an $84.7 billion bill. It funds seven Cabinet or Cabinet-level agencies, as well as 18 independent agencies. We fund all of the veterans programs—both the veterans pensions, as well as veterans medical care, veterans medical research, housing, the Environmental Protection Agency, the National Science Foundation, National Community Service, the Federal Emergency Management Agency. While we are looking at those large and significant agencies, we also fund programs like Selective Service, Arlington Cemetery, the Consumer Product Safety Agency.

Somebody might say, ''Well, how did all that happen?'' It sounds like a lot of money, and it is, but years ago, this was the subcommittee that before you got to be a Cabinet agency, you were an independent agency. Hopefully, these agencies still have independence and backbone, but we now have seven of these. Of course, the largest and most significant, in terms of our obligations to the American people, is the Veterans Administration.

Dealing with these competing interests has been an enormous and difficult job. I want to thank Senator BOND and his appropriations staff, as well as my own for all the hard work they have done to get this bill to the floor. I want to acknowledge the role of Senator HATFIELD and Senator BYRD in ensuring we have an allocation to meet day-

to-day needs of American people, as well as in science and technology, looking at the long-range interests of the American people.

I am particularly grateful for Chairman BOND's efforts to work on a collegial basis with this. I want to thank him for the collegiality and civility with which we have been able to work on these issues. This bill continues the process of implementing many of the recommendations of the National Academy of Public Administration that I raised on issues related to HUD and EPA.

It is my commitment and I know the chairman's commitment that we want to make sure that a dollar's worth of taxes is used for a dollar's worth of services. When we are working, whether it is to fund Housing and Urban Development or the Environmental Protection Agency, we want to fund results and not bureaucracy. That is why when I chaired the subcommittee, we turned to the National Association of Public Administration to give us kind of an x ray of what they thought we should be doing so we could get rid of the bureaucracy and focus on the results.

I thank Senator BOND for continuing that. When we look at HUD, we can see we have been able to do that. It has been my concern that in Housing and Urban Development, too often we create programs without thinking about their results. Do we empower the poor, which I know the Presiding Officer is deeply concerned about? We share a belief and commitment in the role that nonprofit agencies play in the empowerment of the poor.

We want to make sure that our section 8 program is an opportunity, but not a hollow one, and that along the way we do not create such large subsidies that we are creating a new generation of slum landlords or creating a new and expanded liability for taxpayers.

I have been deeply distressed in my own State of Maryland, particularly in Baltimore and some of the surrounding areas, of the failure to stand sentry with section 8 housing itself to make sure that it is an opportunity for the poor. Too often section 8 housing is riddled with housing abuse, poor housing conditions from plumbing and other fire and safety violations. We want to make sure HUD is on track on how they spend their money, that we do get results and we are not creating more liability for the taxpayer and minimizing opportunity for the poor. Then we also looked at the funding for the Environmental Protection Agency. Both the chairman and I have worked to get them focused on the fact that they need to spend their money on that which is the greatest public health risk. The whole idea is not only to protect natural resources and make sure we have clean air and clean water, but in the process let us look at those areas that ensure public health and safety, and not move around on certain boutique programs that might grab a headline. Chairman BOND and I are more interested in saving lives than in grabbing headlines. That is why we urged EPA to focus on this kind of risk-based approach. We believe EPA is doing it. I believe Secretary Browner is actually trying to move it in this direction.

There is one other area in this bill where we were able to restore cuts that the House made. We restored a $1 billion cut in Federal emergency disaster relief. As you know, many disasters have hit the United States, from blizzards to hurricanes, to terrible tornadoes that have affected our States. We wanted to be sure that if a Governor calls President Clinton 911 to help with emergency relief, we will have the money to be able to do that. We now have Edouard and we have Fran whizzing around out there. We want to be sure that the Governors of our Southeastern States know we are behind them.

This bill also restores a cut in NASA's Mission to Planet Earth. All of us have been mesmerized about this new finding about life on Mars, that maybe there is life on Mars, or maybe there was life on Mars. It is a fascinating topic. But there is one planet that we believe there is intelligent life on and it is called the Planet Earth. Dr. Sally Ride said we should study it because by stepping back in space and studying Mission to Planet Earth, studying our own planet as if it were a distant one, we will come up with an incredible amount of information that will be able to help our farmers, help our fishermen, and help communities prepare for natural disasters.

Mission to Planet Earth is a scientific mission, a civilian mission that looks at our environmental condition, which can then prepare communities for natural disasters, and not only here, Mr. President, but around the world. We can help Africa predict and know about a famine. We can help Japan and our friends in the Pacific rim know how to estimate typhoons and be able to save lives and property and evacuate people. What a great way for us to advance our scientific knowledge but, again, be able to help in our commercial activity and be able to save lives.

Another cut restored was in the national service AmeriCorps Program. I know that is significantly controversial. I thank Senator BOND for working with me in restoring AmeriCorps at a modest funding level. This is a program that is very special to President Clinton and, I believe, to many people. What it essentially says is that by getting out there and volunteering, being part of AmeriCorps, you can earn a voucher to reduce your student debt.

You see, for every opportunity, we think there is an obligation. This is not about giveaways. We want our kids to be able to reduce their student debt, but at the same time rekindle those habits of the heart, so when the voucher is over and they are back in their communities, they are part of the volunteer effort, working in nonprofits, or hands-on, or being members of boards and commissions.

I am very proud of the fact that Senator BOND has worked very hard to ensure veterans medical care and veterans medical research. It is promises made and promises kept to America's veterans. I think we were able to do that. There are over 187 veterans hospitals. There are also many new outpatient clinics in many areas where I believe we have not done all we would like to do, but I believe we have kept our promises.

Some of the yellow flashing lights for me are in EPA. I know that while funding for EPA is $70 million more than last year, it is $400 million below the President's request. There is concern about deep cuts in core programs or other priority programs like Boston Harbor, the Montreal protocol, climate exchange, and the environmental technology initiative. Some in Congress do not always make the case between public health and the environment. We know it is so, and that is why we need to ensure adequate funding for EPA.

Another area which is controversial is NASA. Because we face so many compelling human needs, many people say, ''Why are we funding NASA?'' Well, by funding NASA, we develop new ideas, new knowledge and new technology that helps advance the cause of mankind through scientific discovery. That is the nature of what we are as Americans. We are discoverers. And through it, we are able to also come up with tremendous opportunities for technology transfer, which helps our American people. I could list those programs, but I don't think we need to do it. I do know that we will be looking at all of these special programs, some in Maryland and some in other States. Goddard Space Agency is in my own home State. I know the recent discovery of possible life on Mars is an example of how exciting and important the space program continues to be.

Some people feel that money is wasted. But we cannot look that way. It is too narrow. You know, they laughed at the Louisiana Purchase, they laughed at Columbus, and they laughed at Pasteur.

The Presiding Officer knows that scientific discovery and the technology around it is always ridiculed, such as the automobile, and all those things, and one day they transformed our society. Whoever thought a couple of guys working in a garage with spare parts could spawn a whole new computer industry that has now revolutionized the entire planet?

We want to make sure that by funding the National Science Foundation, we continue to make sure that the United States of America is on the cutting edge. There are many issues that we have to face in the future, whether it is in housing, space, and so on. But

I believe that we can solve those problems if we work with good will, common sense, and focus on the results we want to achieve in science and technology for the long-range needs of our country and looking at the day-to-day needs of the American people. How can we give help to those who practice self-help? I believe if those are our guiding principles, we will be able to move this bill, and I think we have followed those principles in this.

Again, I thank Senator BOND for his very hard work and willingness to listen to my concerns and those of the members of my own party, and to work with my staff and me. I am going to echo the words of Senator BOND. Less than a month remains in this session. We don't want this bill to be in a continuing resolution. Let us make the U.S. Senate work and get the appropriations bill done. I look forward to voting for final passage of this bill tomorrow.

I yield the floor.

Mr. BOND. Mr. President, I thank my distinguished ranking member for a very forceful presentation. I tell her that I share that desire for a final vote tomorrow very strongly. I endorse and second all of the strong things she said about the science function. She knows and understands these programs extremely well. That is why she is an invaluable member of this subcommittee. I certainly would hate to lose her from this subcommittee to Small Business, as has been suggested in other quarters.

Ms. MIKULSKI. I am right here.

Mr. BOND. I am delighted to have the good Senator from Maryland working with me on this. I enjoy working with the Senator from Arkansas on small business.

Mr. President, turning to some of the procedural matters, I ask unanimous consent that the amendments of the committee to H.R. 3666 be considered and adopted, en bloc, with the proviso that no points of order are to be waived thereon by such adoption, and that the bill, as amended, be considered original text for the purpose of further amendment, with the further proviso that this consent request exclude the following amendments: On page 72, line 10, relating to an earmark for drinking water funds; page 85, lines 6 through 15, relating to NASA buyouts; page 102, line 23, through page 104, line 20, relating to FHA; page 104, lines 21 through 24, relating to NASA's Bion mission.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The committee amendments were agreed to, en bloc, with the above noted exceptions.

AMENDMENT NO. 5157 TO EXCEPTED COMMITTEE AMENDMENT ON PAGE 72, LINE 10

(Purpose: To increase the amount provided for EPA drinking water state revolving funds by $725,000, offset by a commensurate reduction to clean water state revolving funds)

Mr. BOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 5157.

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

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

The amendment is as follows:

On page 72, line 10, in lieu of the sum proposed by the committee amendment, insert "$1,275,000,000".

Mr. BOND. Mr. President, this is an amendment to the first excepted committee amendment. It increases the amount provided for drinking water State revolving funds by $725 million in recognition of the fact that, on August 1, 1996, funds previously appropriated for drinking water State revolving funds were reallocated to clean water State revolving funds pursuant to a requirement in the fiscal year 1996 omnibus appropriations bill.

Congress mandated this transfer if a drinking water authorization bill had not been enacted into law as of that date. That measure was enacted less than 1 week after the August 1 deadline, and we believe it is appropriate that these funds be restored. The funds which have been released for clean water revolving funds can be considered as an advance on the fiscal year 1997 appropriation.

This amendment simply adjusts the new appropriations to reflect this prior funding and will have no effect on our intended program levels. We gave our assurances to members of the authorizing committee that this would be one of the first orders of business as we dealt with this bill. The members of the committee worked so hard for the passage of the safe drinking water measure. We are very anxious to have these funds available, and the funds under this amendment will be available crediting the transfer of the funds on August 1 to the clean water revolving fund account for 1997 and giving the 1996 appropriations along with the 1997 appropriations to drinking water.

Ms. MIKULSKI. Mr. President, I concur with the amendment offered by Senator BOND. It does make the compelling need that we have talked about and does so in a timely way.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (No. 5157) was agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The excepted committee amendment on page 72, line 10, as amended, was agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote by which the amendment, was amended, was agreed to.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 5158 TO EXCEPTED COMMITTEE AMENDMENT ON PAGE 85, LINES 6–15

(Purpose: To modify language providing NASA authority to provide special incentive payments to encourage voluntary retirements to extent necessary to avoid a reduction in force (RIF), subject to a $25,000 limitation, with a further limitation to assure no net increase in Federal expenditures)

Mr. BOND. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 5158 to the excepted committee amendment on page 85, line 15.

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

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

The amendment is as follows:

On page 85, line 15, before the period insert the following: ": *Provided further*, That in addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, NASA shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee who is covered under subchapter III of chapter 83 or chapter 84 of title 5 to whom a voluntary separation incentive has been paid under this paragraph".

Mr. BOND. Mr. President, this is a perfecting amendment to the next excepted committee amendment.

The modification proposed is necessary to clarify the intent of the committee that the buyout authority granted for NASA be conducted entirely with the appropriated funds. The modification requires NASA to reimburse the civil service retirement disability fund for the full cost of anticipated retirement benefits and lost contributions associated with employees who accept these incentives and retire voluntarily to separate from Federal service. By requiring such payments, we prevent an increase in expenditures occurring during fiscal year 1997 as a result of the buyout since NASA will have to use other expenditures in order to meet these costs.

Ms. MIKULSKI. Mr. President, I concur with Senator BOND's amendment. Again, what we are finding is that NASA must encourage people to retire. Their original request was excessive. I think this is a prudent way to proceed, and this side accepts the amendment.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment offered by the Senator from Missouri.

The amendment (No. 5158) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the underlying committee amendment, as amended.

The excepted committee amendment on page 85, lines 6–15, as amended, was agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCEPTED COMMITTEE AMENDMENT ON PAGE 102, LINE 23, THROUGH PAGE 104, LINE 17

Mr. BOND. Mr. President, next I move that the committee amendment beginning on page 102, line 23, through page 104, line 17, the amendment which would have eliminated two House-passed sections, first, mirroring the current administrative policy to reduce the FHA payment 25 basis points by first-time home buyers and, second, permitting loans by family members to meet FHA downpayment requirements, be tabled.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

AMENDMENT NO. 5159 TO EXCEPTED COMMITTEE AMENDMENT ON PAGE 104, LINES 18 THROUGH 20

(Purpose: To permit a demonstration of application of a streamlined formula to calculate down payment requirements for the Federal Housing Administration [FHA] home mortgage guarantee program in the States of Alaska and Hawaii and to provide for the delegation of single family insuring authority to direct endorsement mortgagees)

Mr. BOND. Mr. President, I send an amendment to the desk to the language proposed to be stricken by the pending committee amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 5159 to excepted committee amendment on page 104, lines 18 through 20.

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

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

The amendment is as follows:

In lieu of the matter stricken on page 104, lines 18 through 20, insert the following:

SEC. 423. CALCULATION OF DOWN PAYMENT.

Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) is amended by adding at the end the following new paragraph:

''(10) ALASKA AND HAWAII.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, with respect to a mortgage originated in the State of Alaska or the State of Hawaii, involve a principal obligation not in excess of the sum of—

''(i) the amount of the mortgage insurance premium paid at the time the mortgage is insured; and

''(ii) (I) in the case of a mortgage for a property with an appraised value equal to or less than $50,000, 98.75 percent of the appraised value of the property;

''(II) in the case of a mortgage for a property with an appraised value in excess of $50,000 but not in excess of $125,000, 97.65 percent of the appraised value of the property; or

''(III) in the case of a mortgage for a property with an appraised value in excess of $125,000, 97.15 percent of the appraised value of the property.''.

SEC. 424. DELEGATION OF SINGLE FAMILY MORTGAGE INSURING AUTHORITY TO DIRECT ENDORSEMENT MORTGAGEES.

Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended by adding at the end the following new section:

''DELEGATION OF INSURING AUTHORITY TO DIRECT ENDORSEMENT MORTGAGEES

''SEC 256. (A) AUTHORITY.—The Secretary may delegate, to one or more mortgages approved by the Secretary under the direct endorsement program, the authority of the Secretary under this Act to insure mortgages involving property upon which there is located a dwelling designed principally for occupancy by 1 to 4 families.

''(b) CONSIDERATIONS.—In determining whether to delegate authority to a mortgagee under this section, the Secretary shall consider the experience and performance of the mortgagee compared to the default rate of all insured mortgages in comparable markets, and such other factors as the Secretary determines appropriate to minimize risk of loss to the insurance funds under this Act.

''(c) ENFORCEMENT OF INSURANCE REQUIREMENTS.—

''(1) IN GENERAL.—If the Secretary determines that a mortgage insured by a mortgagee pursuant to delegation of authority under this section was not originated in accordance with the requirements established by the Secretary, and the Secretary pays an insurance claim with respect to the mortgage within a reasonable period specified by the Secretary, the Secretary may require the mortgagee approved under this section to indemnify the Secretary for the loss.

''(2) FRAUD OR MISREPRESENTATION.—If fraud or misrepresentation was involved in connection with the origination, the Secretary may require the mortgagee approved under this section to indemnify the Secretary for the loss regardless of when an insurance claim is paid.

''(d) TERMINATION OF MORTGAGEE'S AUTHORITY.—If a mortgagee to which the Secretary has made a delegation under this section violates the requirements and procedures established by the Secretary or the Secretary determines that other good cause exists, the Secretary may cancel a delegation of authority under this section to the mortgagee by giving notice to the mortgagee. Such a cancellation shall be effective upon receipt of the notice by the mortgagee or at a later date specified by the Secretary. A decision by the Secretary to cancel a delegation shall be final and conclusive and shall not be subject to judicial review.

''(e) REQUIREMENTS AND PROCEDURES.—Before approving a delegation under this section, the Secretary shall issue regulations establishing appropriate requirements and procedures, including requirements and procedures governing the indemnification of the Secretary by the mortgagee.''.

Mr. BOND. Mr. President, this amendment restores another House-passed provision to the FHA single-family mortgage program with an amendment which limits a proposed change in the formula for determining downpayment requirements to a demonstration in the States of Alaska and Hawaii.

This perfecting amendment also inserts the text of the language incorporated by reference in the original House-passed provision relating to the delegation of ensuring authority to direct endorsement mortgagees.

Ms. MIKULSKI. Mr. President, I concur with the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (No. 5159) was agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. By virtue of the Senate having agreed to the previous amendment, the excepted committee amendment on page 104, lines 18 through 20 falls.

Mr. BOND. Mr. President, we have dealt with three of the four provisions of the committee amendments.

The fourth one relates to the NASA Bion mission.

Colleagues who wish to deal with that are not available.

So I now ask unanimous consent that the amendment on page 104, lines 21 through 24, relating to NASA's Bion mission be set aside temporarily.

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

AMENDMENTS NOS. 5160 THROUGH 5166 EN BLOC

Mr. BOND. Mr. President, I now have several amendments which have been cleared on both sides, I believe. I send them to the desk and ask for their immediate consideration en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes amendments numbered 5160 through 5166 en bloc.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 5160

(Purpose: To provide an interim extension of the National Flood Insurance Act of 1968 to enable the Federal Flood Insurance Administration to continue writing flood insurance policies and conduct floodplain mapping during fiscal year 1997, pending enactment of authorizing legislation)

On page 77, line 22, after the sentence ending ''September 30, 1998.'' insert:

The first sentence of section 1376(c) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4026), is amended by striking all after ''this subchapter'' and inserting: ''such sums as may be necessary through September 30, 1997 for studies under this title.''

On page 78, line 5, after the sentence ending ''Insurance Reform Act of 1994.'' insert:

Section 1319 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4026), is amended by striking out September 30, 1996.'', and inserting ''September 30, 1997.''

AMENDMENT NO. 5161

(Purpose: To make a technical correction to a grant provided in the fiscal year 1995 VA, HUD, and Independent Agencies Appropriations Act for the City of Bangor, ME)

On page 72, line 15, before the period, insert: : Provided further, That the funds made available in Public Law 103–327 for a grant to the City of Bangor, Maine, in accordance with House Report 103–715, shall be available for a grant to that city for meeting combined sewer overflow requirements.

AMENDMENT NO. 5162

(Purpose: To express the sense of the Senate with regard to compliance by the Environmental Protection Agency with international obligations)

At the end of title IV, add the following:

SEC. 4 . SENSE OF THE SENATE WITH REGARD TO COMPLIANCE WITH INTERNATIONAL OBLIGATIONS.

(a) FINDINGS.—Congress finds that—

(1) in response to a dispute settlement finding against the United States by the World Trade Organization, the United States informed the World Trade Organization on June 19, 1996, that the United States intends to meet its international obligations to the World Trade Organization with respect to the Environmental Protection Agency's requirements on imported reformulated and conventional gasoline;

(2) the Environmental Protection Agency has initiated an open process to examine any and all options for compliance with international obligations of the United States in which a key criterion will be fully protecting public health and the environment; and

(3) many United States environmental and industrial organizations are concerned about the ''Regulation of Fuels and Fuel Additives: Individual Foreign Refinery Baseline Requirements for Reformulated Gasoline'' proposed on May 3, 1994 (59 Fed. Reg. 84).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, in evaluating any option for compliance with international obligations, the Administrator of the Environmental Protection Agency should—

(1) take fully into account the protection of public health and the environment and the international obligations of the United States as a member of the World Trade Organization;

(2) ensure that the compliance review process not result in the degradation of the gasoline quality required by the Clean Air Act (42 U.S.C. 7401 et seq.) with respect to conventional and reformulated gasoline;

(3) not recognize individual foreign refiner baselines unless the Administrator determines that the issues of auditing, inspection of foreign facilities, and enforcement have been adequately addressed; and

(4) provide a full and open administrative process in the formulation of any final rule.

Mr. ROTH. Mr. President, I rise to comment on the pending sense-of-the-Senate offered by my colleague, Senator BURNS. This measure strikes what I believe to be the proper balance. It recognizes both our obligation to comply with the World Trade Organization's [WTO] recent dispute-settlement finding against the United States' regulation of imports of reformulated and conventional gasoline, and our obligation to take fully into account the protection of the public health and the environment in evaluating all options for compliance.

As the chairman of the Senate Finance Committee, I want to underscore the importance of the United States honoring its obligations and commitments under the WTO, particularly with respect to the dispute-settlement process. Mr. President, creation of an effective binding WTO dispute-settlement mechanism was an important achievement of the Uruguay Round trade agreement.

I believe that any attempt to frustrate U.S. efforts to implement the WTO's decision on reformulated and conventional gasoline, or any future WTO decision, would be harmful to U.S. interests and the multilateral trading system for the following reasons.

First, WTO rules permit retaliation to be taken against a WTO member country that refuses to implement a WTO decision. Therefore, U.S. failure to comply with a WTO decision could prompt our trading partners with an interest in the decision to seek authority from the WTO to retaliate against the United States. Such retaliation could come in the form of increased tariffs on U.S. exports.

Second, I believe that U.S. failure to implement a WTO decision would undermine the WTO dispute-settlement process and our ability to end unfair foreign trade practices. Other countries may use U.S. non-compliance as an excuse for refusing to implement WTO decisions that are unfavorable to them, including the many WTO disputes the United States is currently pursuing against other countries' trade restrictions.

Third, I worry that if WTO decisions are ignored by the United States or other countries, the ability to enforce WTO obligations generally is sharply reduced, as is the value of the obligations themselves. A weakening of WTO obligations would be a major setback for the multilateral trading system and could complicate any future efforts to further expand the system and reduce existing trade barriers.

For these reasons, Mr. President, I am heartened that this Sense of the Senate recognizes the important U.S. interests in complying with the WTO's recent decision on reformulated and conventional gas and in maintaining the integrity of the WTO dispute-settlement process.

Finally, I would like to make two further points on the WTO decision at issue here. I hope that these points will clear up any misconceptions surrounding United States compliance with the WTO's finding that current Environmental Protection Agency [EPA] regulations discriminate against foreign refiners in Brazil and Venezuela and do not comply with WTO rules.

First, the WTO decision does not dictate what actions the United States or the EPA must take to come into compliance with the decision, because under WTO rules the United States retains the discretion to decide the best way to comply with the WTO's finding.

Second, as my good friend Senator CHAFEE, chairman of the Committee on Environment and Public Works, will point out, the WTO decision does not undermine the United States' ability to enforce its environmental laws. In its decision, the WTO was very careful to note that it did not object to the goals of the Clean Air Act or the United States' right to take measures to protect the environment. Nor does the decision require the United States to lower its environmental standards. Instead, the decision simply found that the United States had not adequately explored ways to achieve its environmental objectives without discriminating against imports.

I appreciate having the opportunity to share my views on this important matter.

Mr. CHAFEE. Mr. President, if my colleagues would permit, I would like to add a few comments of my own on the subject of the Burns sense-of-the-Senate included in the managers' amendment.

As my colleagues may know, earlier this spring a World Trade Organization [WTO] panel found that a 1993 regulation adopted by the Environmental Protection Agency [EPA] discriminated against imports. The regulation in question established baselines against which refiners must measure compliance with requirements under the Clean Air Act for conventional and reformulated gasoline. In coming to its conclusions, the WTO panel noted that the United States had not fully explored ways to overcome the administrative difficulties relating to imported gasoline, and that although the United States had considered the costs to domestic refiners of complying with the regulation, the same consideration was not given to the costs that would be incurred by foreign refiners. On June 19, the United States informed the WTO that we would endeavor to meet our international obligations by complying with the panel decision.

This case has received a good deal of attention, and provoked a good deal of comment. Unfortunately, many of the assertions that have been made about this case misinterpret both its meaning and its effect. As chairman of the Senate Environment and Public Works Committee, I regret such misinterpretations, and want to take a moment to set the record straight.

First, let me stress that the April WTO decision has nothing to do with the Clean Air Act itself; nor does it undermine the act in any way. Rather, the WTO decision deals with the approach set by a regulation issued pursuant to the Act. The Clean Air Act did not force EPA to discriminate against foreign refiners. EPA had a range of options from which to choose and, unfortunately, they chose one that ran afoul of our international obligations.

I want to emphasize that the panel decision did not invalidate or otherwise undermine the act's requirements or the concept of using baselines. What the decision did do is say that the law must be implemented in a fair and nondiscriminatory manner. That concept

is one of the most basic—and most important—elements of our global trading system. And I would point out that it need not conflict with strong environmental protection.

The WTO ruling does not affect the ability of the United States to enforce the Clean Air Act. The WTO itself explicitly recognizes the right of member nations to take steps to protect human health and exhaustible natural resources. Neither the Clean Air Act nor its objectives were ever at issue in this case.

Finally, the panel decision does not mandate whether, or how, the United States should come into compliance with the WTO ruling. Such matters are left to the member nation to decide for itself. In this case, the United States informed the WTO that we will take steps to comply—a decision I believe was the right one. Indeed, I would urge EPA in the strongest terms possible to act without delay, so that we may come into compliance as quickly as possible.

So there should be no confusion about this case or its outcome. The WTO examined a regulation promulgated under the Clean Air Act and found that its separate requirements for foreign refiners were discriminatory. That is all there is to it. Fix the discrimination, and the problems cease. Meanwhile, the Clean Air Act and our other environmental laws remain in effect, as always.

Now, with regard to the sense of the Senate, which attempts to describe the current situation and hold the EPA to certain commitments regarding the upcoming review process, since it does not constitute an amendment to the Clean Air Act and is not binding, I do not intend to raise an objection.

However, let me say this: there is no question that complying with the WTO decision is in the best interests of the United States, not only for the reasons outlined just now by my colleague, the distinguished chairman of the Finance Committee, but for our own interests in environmental protection. Frankly, there are some in the domestic refining industry who have benefited from the current unequal state of affairs, and who would prefer to see the United States avoid coming into compliance in this case. They may attempt to influence the review process to ensure that at the end of the day, they retain their current advantage. An outcome along those lines would be an act of cynicism that would do us serious damage in our efforts to maintain a fair international trading system. Such an outcome will not do.

We have an obligation to make a good faith effort to come into compliance with the WTO decision as soon as possible. Adopting an approach that purports to solve the problem, but that merely prolongs the current inequity, is not acceptable. An acceptable solution is one in which no unfair distinction is drawn between domestic and foreign gasoline; in which domestic and foreign refiners alike meet the levels currently allowed by the Clean Air Act; and in which the United States may ensure enforcement for both domestic and foreign industry using approaches that have proven effective in the past. That truly would be a level playing field.

For my colleagues' information, I ask unanimous consent to have printed in the RECORD a copy of a letter on this issue that was sent to me by the Environmental Defense Fund, the National Wildlife Federation, the Sierra Club, and the World Wildlife Fund. I appreciate the managers of the bill allowing me the opportunity to make comments about this matter, and yield the floor.

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

ENVIRONMENTAL DEFENSE FUND,
NATIONAL WILDLIFE FEDERATION,
SIERRA CLUB, WORLD WILDLIFE FUND,

July 25, 1996.

Hon. JOHN CHAFEE, *Chairman*,
Hon. MAX BAUCUS, *Ranking Member*,
Environment and Public Works Committee, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATORS CHAFEE AND BAUCUS: We write to register our environmental opposition to a potential rider, identical to that attached to the 1995 and 1996 VA/HUD/Independent Agencies Appropriations bill, that would prohibit the Environmental Protection Agency (EPA) from signing, promulgating, implementing, or enforcing certain regulations concerning reformulated gasoline (RFG). We are concerned that this rider would limit the authority of EPA to promulgate sound regulations to protect the U.S. environment and the health of U.S. citizens.

First, EPA has a mandate under the Clean Air Act to protect the U.S. environment from hazards in reformulated gasoline, whether such gasoline is domestically produced or imported. EPA should be free to fulfill that congressional mandate in the way that it sees fit, consistent with the required public comment process. We believe such a procedure places decision-making on trade and environment issues where it belongs: with the American people and the government agencies that serve them. This process should not be cut off prematurely by Congressional action on an Appropriations bill.

Second, all of our organizations strongly oppose weakening environmental laws in response to trade pressures, and harbor deep concerns about the WTO. However, the WTO Appellate Report in the RFG case concedes that the United States can adopt ''non-arbitrary'' discriminatory rules if we and our RFG trading partners are unable to agree on a mutually satisfactory approach for maintaining our high level of protection of the U.S. environment. Thus the EPA is not constrained to weaken U.S. environmental standards (in fact, it has a mandate not to), and there is no environmental benefit to be gained by the proposed rider.

One further note: it has come to our attention that certain industry entities may have stated, directly or by implication, that some of the undersigned organizations are supporting the Burns rider on environmental grounds. Any such statements reflect a misunderstanding and are inaccurate. Some of our organizations did object to an earlier effort by EPA to change the RFG rule. These organizations did so because EPA did not provide adequate public notice and opportunity for public comment. Moreover, a compromise rule considered at the time could have weakened environmental protections. EPA's latest Federal Register Notice does provide the opportunity for comment that we were originally seeking, and provides the public with the opportunity to ensure that high levels of U.S. environmental protections are maintained. Because EPA has met our concerns about public notice and comment, there is no reason to support the Burns rider, or to hamper EPA from pursuing its new course.

We therefore urge you to oppose the rider currently being considered by Senator Burns for attachment to the EPA Appropriations bill in the floor debate in the Senate.

Thank you for your consideration.

Sincerely yours,

ANNIE PETSONK,
International Counsel, Environmental defense Fund.
RODRIGO PRUDENCIO,
Trade & Environment Program Coordinator, The National Wildlife Federation.
DANIEL SELIGMAN,
Senior Trade Fellow, Sierra Club.
DAVID SCHORR,
Senior Program Officer, Trade and Environment World Wildlife Fund.

AMENDMENT NO. 5163

(Purpose: To allow the Administrator of the Environmental Protection Agency to use certain funds to implement comprehensive conservation and management plans under the national estuary program)

At the end of title IV, add the following:

SEC. 4 . IMPLEMENTATION OF COMPREHENSIVE CONSERVATION AND MANAGEMENT PLANS.

Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year 1997 and prior fiscal years may be used for implementing comprehensive conservation and management plans.

AMENDMENT NO. 5164

On page 30, line 14, strike ''$6,590,000,000'', and insert ''$6,740,000,000''.

On page 31, strike the proviso beginning on line 16, and insert the following: ''*Provided further*, That of the total amount provided under this head, $500,000,000 shall be available for use in conjunction with properties that are eligible for assistance under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low-Income Housing Preservation Act of 1987 (ELIHPA): *Provided further*, that amounts recaptured from interest reduction payment contracts for section 236 projects whose owners prepay their mortgages during fiscal year 1997 shall be rescinded.''

AMENDMENT NO. 5165

On page 30, line 9, delete the period and insert the following: ''; *Provided*, That of the total amount made available under this head, $50,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act or the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 [42 U.S.C. 13611].''

AMENDMENT NO. 5166

(Purpose: To allow states which are unprepared to receive the entire amount of their share of the $725 million in recently released clean water state revolving funds in fiscal year 1996, but receive the funds in fiscal year 1997, to participate in any reallotment of FY 1996 funds)

On page 72, line 15, before the period, insert: ": *Provided further*, That, notwithstanding any other provision of law, a State that did not receive, in fiscal year 1996, grants under Title VI of the Federal Water Pollution Control Act, as amended, that obligated all the funds allotted to it from the $725,000,000 that became available for that purpose on August 1, 1996, may receive reallotted funds from the fiscal year 1996 appropriation, provided the State receives such grants in fiscal year 1997".

Mr. BOND. Mr. President, let me give Members a brief rundown of the provisions in these en bloc amendments so everybody will know what we are dealing with.

The first amendment, which is supported by FEMA and is cosponsored by Senator BYRD, provides an interim extension of FEMA's flood insurance legislation to enable FEMA to continue writing flood insurance policies after September 30, 1996, until the committee of jurisdiction reauthorizes the flood insurance program. Without this extension, FEMA would be forced to stop writing policies on October 1, a problem which I have already dealt with here and which I have stated is of great importance to many States and particularly those like mine which have had significant flood events in them.

The second amendment is offered on behalf of Senators SNOWE and COHEN. It represents a technical correction to the fiscal 1995 VA–HUD bill pertaining to a project in Bangor, ME. The amendment relates only to the fiscal year 1995 appropriations for the project and allows the funds to be utilized in a manner required by that community.

The third, on behalf of Senators BURNS and MIKULSKI, is an amendment which expresses the sense of the Senate regarding imports of reformulated and conventional gasoline.

That has been cleared on both sides, and it has been cleared by the Environment and Public Works Committee.

Next, in the en bloc amendment, on behalf of Senators MACK, GRAHAM, and LIEBERMAN, an amendment which has been cleared on both sides and has wide support would allow EPA's national estuary program funds to be used for implementing cleanup plans in fiscal year 1997 and prior years.

Next, on behalf of Senators CRAIG, SARBANES, MOSELEY-BRAUN, KERRY, and MURRAY is an amendment to clarify the $500 million appropriation for low-income housing preservation.

Next, on behalf of Senators KERRY and DOMENICI, the final amendment sets forth an earmark of $50 million for vouchers for displaced and disabled individuals or families currently in buildings being converted to all-elderly.

The last amendment which has been requested by the EPA Administrator is technical in nature. It is one which addresses $725 million in funds recently released for the clean water State revolving funds from funds previously appropriated for drinking water State revolving funds. These funds are considered an advance on the fiscal year 1997 appropriation for clean water State revolving funds. The amendment simply ensures that States' clean water funds are not penalized by the 1996 release of funds so late in the fiscal year. It enables States which are not prepared to receive the entire amount of the share of $725 million in clean water State revolving funds in fiscal year 1996 but do receive the balance in fiscal year 1997 to participate in any possible reallotment of fiscal year 1996 funds.

The PRESIDING OFFICER. Is there further discussion of the amendments? If not, the question is on agreeing to the amendments offered en bloc by the Senator from Missouri.

The amendments (Nos. 5160 through 5166) were agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. MIKULSKI. Mr. President, I know in a few minutes one of our distinguished colleagues, Senator GLENN of Ohio, wants to speak about the importance of NASA and its adequate funding. We are so honored to have a Senator astronaut with us who, of course, can speak in a unique way, but I wish to make one comment on the amendments that we just passed because when we run through them they sound so technical, they sound so dry, and they sound so easy.

I should like to bring to the attention of my colleagues that each one of these took a lot of hard work and a lot of staff time and will be enormously important to people.

The FEMA flood insurance authorization means that we can actually write flood insurance. What we are facing with Edouard and Fran, and so on—flood insurance.

We have worked to protect the American refiner industry. We had something a lot stronger, but we were told that we would trigger a WTO action, so therefore we sat down and worked very hard to make sure we comply with international trade but we made sure we had our dukes up to protect America's jobs in the gulf coast, to make sure that Americans are working, being able to have jobs in the refiner industry, and ultimately with Iran and Iraq staring each other down now it would be very important to ensure our independence in the refinery process.

When we look at the amendment of a $50 million earmark for vouchers for displaced disabled, what does that mean? It means now that disabled people are now living in housing for the elderly. That is what was included in the Americans With Disabilities Act. These are younger people. There is a clash of culture between the younger disabled and the elderly. We want to have the elderly be able to have their own housing. We want to make sure that we do not abandon our commitment, and that is what this amendment is about. I could go through example after example. We want to show when we are spending this money we are protecting jobs, we are looking out for the disabled, and we are also protecting property owners with flood insurance. It takes a lot of hard work, focusing on the detail, and making sure that Government is working in a way that serves people.

So having said that, I did not mean to give a long speech but that is why we agree to these amendments and again we find that a sensible Senate can protect our jobs and protect our folks.

I yield the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Ohio.

Mr. GLENN. I thank the Chair.

Mr. President, I want to make a statement on NASA today before we get in the throes of some of the amendments and get into the more time-constrained portion of our debate on the floor.

I wish I could have the very personal attention of every person in this country who is 60 years of age or older. Do you know how many there are? According to the statistics from the Bureau of the Census, as of July 1 of this year, it is estimated we had 43,872,000 people above the age of 60. That number is expanding, as was pointed out in a U.S. News & World Report full-page article earlier this year in June called, "Waves of Gray."

The Census Bureau also tells us that over the next 50 years or so when those people who are in their twenties now are in their real senior years, the numbers of people over 60 years of age will have grown to almost 100 million people.

Now, why do I bring that up in the context of NASA? Because I think if I had the attention of every single one of those people we could make very decided moves into getting every single one of those people to support everything about the space program, and for this reason. One thing that has happened in the look into the life and biosciences in the NASA program has been that we find some notable parallels between what happens to astronauts in space and what happens to the elderly right here on Earth. And if we can find what triggers some of these similarities, perhaps we will have a whole new handle on approaching difficulties that people have right here on Earth.

There is an excellent article that was put out by Joan Vernikos, who is the Director of Life Sciences at NASA, and I wanted to read most of this article here because I think it is very good and it lays out exactly what NASA has found. Then I will have some addi-

tional remarks at the end. The article is titled ''Parallel Processes? The Study of Human Adaptation to Space Helps Us Understand Aging.''

In 1963, the U.S. population included 17 million people who were 65 years old or older—today there are twice as many.

That is just since 1963.

Meanwhile, the number of Americans 85 years or older is projected to grow from 3.3 million today to 18.9 million by 2050.

Many people just getting out of college and starting their working years will fit into that group.

Gerontologists—scientists who study the aging process—say that more research into diseases that afflict older people could help to reduce the number of individuals who require expensive full-time medical care in their later years.

Studies of age-related health problems have shown that the process of physiological adaptation to the low gravity of space induces symptoms also seen in aging (some effect of aging appear to be due to inactivity rather than the aging process itself). Hence, gerontologists and space life scientists are collaborating to determine how people adapt to aging and to the virtual absence of gravity in space and to develop countermeasures where possible. Space biomedical research could improve understanding of the basic mechanisms of aging, and aging research could contribute to a better understanding of physiological deconditioning in space.

ASTRONAUTS: SIMULATING THE AGING PROCESS?

Life on Earth evolved in the presence of gravity. For this reason, gravity plays a role in all life processes, and exposure to the microgravity environment of space affects living things significantly. Certain physiological changes that occur in space also occur with aging: for instance, cardiovascular deconditioning, balance disorders, weakening bones and muscles, disturbed sleep, and depressed immune response. An important difference, however, is that these changes are reversible in astronauts.

Research has shown that insufficient excercise—due to aging, paralysis, weakness, or prolonged bed rest, for example—can cause a downward spiral in an individual's health over time, increasing susceptibility to bone fractures and slowing recovery from injuries and other ailments. What researchers learn about the physiological effects that accompany space flight may yield ways of limiting he deconditioning symptoms of the inactivity that comes with aging.

Are these changes inevitable? Do they result from the same processes? Can people take steps to lessen, prevent, or reverse them? With the understanding that similar results may be due to different mechanisms and processes, biomedical researchers are attempting to gain insights into the aging process by studying physiological adaptation to space and visa versa.

A primary goal of NASA's life sciences program is to understand the mechanisms underlying these physiological changes and to find ways of preventing them in astronauts. The National Institute on Aging's high-priority research interests reflect a similar focus, encompassing nervous system function, frailty, osteoporosis, dizzy spells, sudden drops in blood pressure often causing falls and fractured bones, problems with coordination of movements, and the effects of physical exercise on bone and muscle in the older population.

BALANCE DISORDERS

Space crew members experience neurosensory disturbances such as dizziness and inability to maintain their balance upon returning from space flights. Humans sense gravity on Earth directly through receptors in the inner ear and indirectly by touch and stretch. In space these sensing mechanisms don't review their usual cues. Studies of the neurosensory system conducted in space offer a unique opportunity to understand how gravity, and the absence of it, affects the central nervous system and neurosensory-dependent functions such as hand-eye coordination, posture, balance, and gait.

Much space flight sciences research focuses on better understanding the mechanisms involved in the brain's interpretation of the body's orientation in three-dimensional space. With sufficient information in hand, researchers can develop procedures to protect space crew members from such disturbances, especially when crews return to Earth after long space voyages. The results of this research apply to patients with gait and postural disorders of neurological origin, including elderly people for whom falls may have especially serious consequences.

SLEEP DISTURBANCES

The change in sleep pattern that typically comes with aging is early waking and fragmented sleep. In space, sleep is also fragmented or otherwise disturbed. Optimal alertness during the day and sound sleep at night, valuable qualities on Earth and in space, require proper synchronizing of the human circadian pacemaker (the ''body clock''). Thus, researchers seek to better understand how aging and space flight affect the mechanisms governing circadian rhythms.

While researchers surmise that aging changes the properties of the human circadian pacemaker, they are not precisely sure how changes occur. Research has shown that bright light can reset the human circadian pacemaker; this treatment, originally developed for aging people, more recently has proven useful to astronauts preparing for space flight.

BONE DETERIORATION

Loss of bone mass is a problem common to aging and space travel. Although the results may be the same, the causes may be different. Space life scientists and researchers studying aging are interested in how exercise affects bones; whether hormones or drugs can prevent bone loss or promote bone formation; and what mechanism translates mechanical loading (physical street or force) on bones into biochemical signals that stimulate bone formation and resorption.

Normally, the breakdown of old bone mass (resorption) and the formation of new bone mass occur constantly, in a balanced cycle called remodeling. Mechanical forces (that is, gravity-driven stresses) appear to coordinate these fundamental bone shaping processes. Determining how the body translates these forces into the signals that control bone structure may reveal whether and how exercise or drugs can prevent osteoporosis in the elderly and in astronauts.

CARDIOVASCULAR DECONDITIONING AND ORTHOSTATIC INTOLERANCE

Exposure to microgravity degrades the general condition of the cardiovascular system and specifically degrades orthostatic tolerance (the ability of the cardiovascular system to supply the brain with enough blood to maintain consciousness while an individual stands upright).

It is what adjusts our body if we are lying down and stand up or are sitting down and stand up suddenly. We know a lot of people have a problem with this, have a dizziness. If they fall over, with maybe osteoporosis, have a broken hip, whatever.

Since orthostatic tolerance may decline with aging, whatever space researchers learn about this particular adaptation should help to solve the problem on Earth as well as in space, even though the mechanisms of adaptation may be different.

DRUG AND NUTRIENT ABSORPTION

Nausea and sometimes vomiting were the earliest and mostly consistent symptoms experienced in the first few days of spaceflight. A broad array of drugs used to treat motion sickness on Earth were only slightly helpful in space. Many theories were developed to explain this lack of effectiveness, until an astronaut doctor gave a fellow suffering astronaut one of these drugs by injection.

The effect was miraculous. It became clear that the same drug taken orally in space was not nearly as effective because perhaps it was not absorbed nearly as well. Recent experiments in spaceflight suggest the absorption of calcium may also be reduced in space. Perhaps the same is true for other nutrients? Ground studies, using the inactivity of bed rest to mimic the effects of spaceflight in young volunteers, have also indicated reduced absorption through the stomach and gut, similar to what is suspected to be found in the elderly. Research in the absorption and distribution of drugs and nutrients in astronauts may help increase awareness that as people get older daily nutritional requirements as well as the effect of drugs prescribed may change.

IMMUNE RESPONSE

Both aging and space flight depress the human immune response (though the change in space is temporary while the change due to aging is not). Reduced proliferation of infection-fighting cells in the immune system may underlie changes in both conditions. It is not clear, however, whether aging or other factors that typically accompany aging (such as declining activity) cause this immune-system depression.

Models of age-related changes in immune function are difficult to find, so microgravity may be a very useful model system to use to increase our understanding of changes due to aging.

FOR THE FUTURE

Although humans have been traveling into space for three decades—

A little over three decades now.

researchers have had few opportunities thus far to carry out systematic biomedical research in space. The dedicated space biomedical research missions of Skylab in the early 1970's and two Spacelab Life Sciences missions aboard the Space Shuttle stand out as exceptions. Future Spacelab missions such as Neurolab, a joint mission with the National Institute of Health to be launched in 1998—and expanding collaboration with Russia on Shuttle-Mir missions will give researchers greater opportunities to solve the mysteries of space deconditioning and aging.

Mr. President, NASA has a book published by some of its most notable physicians. The book is called ''Space Physiology and Medicine.'' And it is a great book. It describes the changes that have come up in space flight with the different astronauts. And they have come up with a list of 55—55 different areas where there are changes on the human body that occur in space. It is a long list. It is in that book.

I did a little research on my own. We came up with some very similar findings, as a matter of fact. I had the Merck Manual of Geriatrics. Everyone is familiar with the Merck Manual that almost every doctor has on his or her desk as a reference work. It is the definitive reference work. It has been

published, I think, for over 100 years now, the Merck Manual.

Just a few years ago, back in the 1980's, Merck started putting out the Merck Manual of Geriatrics. It is one where it gives all the same things that apply to the regular Merck Manual for normal-aged people. But this one book has a different emphasis to it. In the index they have, for instance, ''disequilibrium of aging,'' one I just happen to turn to here. The book gives a great number of things where changes in the human body occur with aging. And they note them here and the effects of them.

What we did is go through the NASA book on space physiology and medicine and compare it with the Merck Manual where there is a special relationship to aging and the human body. We came up with some similarities that are excellent. I mentioned some of them a moment ago.

But there are 10 very basic areas we think should be looked into and can be looked into that can give us not only better control for the deterioration that occurs in the human body in space, but perhaps even more importantly for those almost 44 million people I mentioned who are over 60 years of age, these things, if we do more research on them, can apply to a better senior citizen life expectancy here on Earth. And that to me is exciting. That is something to really look into and find out. I am of an age where I could probably benefit from some of that, and so are some 44 million other Americans. And that list is growing all the time. As I said, over the next 50 years or so that number is expected to double up to almost 100 million people.

Listen to these for just a moment. These are physiological changes that are referred not only in the Merck Manual, but also in the experience of astronauts in space as recorded in the space physiology book.

First, bone density. What happens? Net loss of bone density in both the normal age process where it is irreversible as far as we know now, and during space flight where when they come back to Earth it is reversible. What causes this? What is the mechanism that triggers changes in bone density? What can lead us to breakthroughs in the treatment of osteoporosis? Are there some similarities here where we can make some experiments on the elderly and on astronauts in space? If we had an older person go up in space, would that breakdown in the bone be in addition to what has already occurred just because that person had become elderly? We do not know the answer to that yet. But I think we should be finding out.

Second area, orthostatic tolerance, the difference in blood pressure measured when standing or sitting. How the lower extremities and the abdominal area react to the changing role of gravity as you stand up. Orthostatic tolerance decreases during and after flight in space before returning to normal. It takes several days before astronauts, when they come back from space, feel normal again. But it is a symptom that, once it occurs in the elderly, they may have to live with it the rest of their lives. So research into neurosensory mechanisms that control this adaptation could lead to cures for motion sickness and help prevent falls, a very major factor with the elderly.

Another area, balance and vestibular problems. Dizziness and the inability to maintain balance is common in the elderly and astronauts returning from space flight. Research could lead to advances in treatment of patients with walking disorders or posture disorders of a neurological origin.

Sleep disturbances. Fragmented sleep and early wakening are common problems in space flight and aging. That is, disruption of the human circadian rhythm I mentioned a few moments ago. Learning how to control the circadian rhythm will improve quality of life for the elderly as well as others with sleep disorders or schedule changes.

Muscle strength. Decreases during and after space flight before returning to normal, and decreases with aging, just across the board in general. What causes this? Understanding the mechanism for muscle weakening and developing treatments can benefit patients with prolonged bed rest, as an example.

Immunology. I find this absolutely fascinating, and the portent of this or the possibility of what research in this area may bring—I do not think we can predict what it might be. The normal aging process in space flight depresses the human immune response. Now, what triggers this? Why is that triggered in someone in the weightlessness of space flight for a few days? What causes it in the elderly here on Earth where they become less immune to certain diseases? Since these immune system changes are similar, I think it is just an ideal opportunity that exists to better understand how the elderly fight infection, cancer, AIDS in younger people, across the board. We are talking about one of the most basic things in the human body, that the immune system changes its response. The immune system changes its response in the elderly but is triggered off in younger, healthy people that go into space. Now, say we send someone into space. In an elderly person would that change in immunology be in addition to what they have already experienced just by growing older here on Earth, or would they be immune from further changes induced by microgravity? We do not know the answer yet. Maybe we will someday.

To me, that is one of the most exciting areas of all because it opens up the thought of so many other areas and the potential is enormous. What if all of our elderly people here on Earth could do something that would let them continue their immune response that they had in their younger years? What if they can find a way to stimulate the immunology of young people who may be at risk for AIDS or cancer or whatever? This to me is a very, very exciting area to look into.

Drug and nutrient absorption. Reduced absorption of medicine and nutrients in the stomach and gut evidenced during space flight and also suspected with many elderly where medicines do not have the same effect they are expected to have. Space flight research may increase awareness of changing nutrient and pharmaceutical needs of the elderly.

Cardiac electrical activity increases PR interval and QT interval in space flight and aging. What effect this may have or the impact it may have is not clear, but it certainly is an area for further research.

Serum glucose postflight increases and it increases with aging. The implication of this, once again, is not clear.

Reflexes, particularly Achilles tendon reflex. Reflex duration is decreased after flight for astronauts coming back. We do not know why. For a while, until they readapt to their Earth environment, their reflexes change. Now, that also occurs with the elderly. It may be diminished or even absent as a reflex in the elderly. All of these things are areas where we have seen changes in the elderly as well as with those who are on space flight.

Mr. President, I think these areas are exciting areas to look into. In a life science project that NASA has and is planning they are looking into these areas. I know that the Administrator, Dan Goldin at NASA, is interested in this area. I have talked to him about some of the similarities in these areas and he is very interested in seeing that these things are looked into. Exactly how that will be done is under some discussion right now. These are areas that obviously have enormous potential benefits for people right here on Earth.

Mr. President, let me go into some of the other areas of NASA that I want to talk about for a little while this afternoon. Curiosity is at the heart of all research. Who are we going to see as being responsible for establishing a curious attitude, the curious mind of those, say, in the class of 2015 or 2025? The Government's responsibility, as I see it, is to fund long-term basic research that is not being done or cannot be done by anyone in private corporations here on Earth and be conducted on the space station. Certainly no company is going to invest significantly in that particular area.

The CRS report discussing case studies of federally sponsored research is interesting. Mr. President, the Congressional Research Service has recently published a report which examines some case studies of federally-sponsored research and development activities. While these are not directly related with the space station, I want to cite some of these as examples where curiosity or some inquiry into the unknown—that has been an American trade ever since our founding

days—has led on to things that were undreamed of when they started out.

Some of the examples discussed in the report indicate that we do not always know what the outcome or benefit will be from research, but these examples clearly demonstrate federally-sponsored research in these areas can change the way we live. I want to make clear, as CRS stresses, it is often difficult to extrapolate findings from particular cases to support for other types of research. The point I wish to make is that basic research can have unforeseen and unintended benefits.

Here are some of the examples cited by CRS: Titanium, in common use today, until the 1940's the titanium industry did not exist because nobody knew how to convert titanium ore into metal of a high-quality product. Intense Government involvement surmounted this technological barrier and allowed the industry to grow. Like so many research programs, early applications of titanium were for military use. However, commercial use of titanium now is three times that of the military.

The Internet: As most people now know, the predecessor to the Internet was created in the late 1960's to establish a secure and reliable communications network between the DOD and universal researchers. Out of this early narrow application has evolved today an entirely new media form which will possibly impact our lives as much as the development of the telephone or television.

The National Advisory Committee for Aeronautics and the $25 cowling: NACA, NASA's predecessor, was involved with the federally-sponsored research effort to improve America's international standing in aviation and aeronautics back in that time. One of the first major successes in the 1920's was development of a cowling around aircraft engines, the housing which surrounds it. In 1928, NACA announced test results that showed if a $25 cowling was installed on existing aircraft, then the possible annual savings in fuel and associated costs could amount to more than $5 million. In addition, one of the first aircraft equipped with an NACA-designed cowling set a new cross-country record, allowing the maximum speed of the aircraft to be increased by more than 10 percent.

Food processing control is another example. In the early days of the space program, NASA wrestled with the question of how and what to feed astronauts. They were aided in this effort by researchers from Pillsbury, working on a Government contract. A major issue that had to be overcome was to develop assurances against bacteria contamination.

Pillsbury responded to this problem by developing the hazard analysis and critical control point, HACCP, concept, which was designed to prevent food safety problems rather than catch them after they had occurred. Pillsbury used the HACCP process to manufacture food that went to the moon with the Apollo spacecraft. Subsequently, this system was incorporated in the Food and Drug Administration regulation on canned foods and has since become industry practice and provides for safety for food that our producers here can now ship all over the world.

Compact disc technology. Compact discs have made a substantial impact throughout our economy—in education, music, and computer systems. Not many people know this technology was originally developed from R&D sponsored by the Air Force, who were looking for better data storage systems for the strategic bomber force. Air Force research in this area successfully demonstrated the concept in the early seventies, but it was not until the mid 1980's that CD's became the commercial success that they are today.

Of course, with any research, there is no guarantee of the greatness of discovery. Arthur Compton, a Nobel Prize physicist, noted:

> Every great discovery I ever made, I gambled that the truth was there and then I acted on it in faith until I could prove its existence.

From Eli Whitney to Thomas Edison, great Americans have pursued research leading to vast improvements in the quality of the American way of life. I am convinced that research conducted on the international space station will impact our lives in a manner comparable to the other research programs I have mentioned.

Today I want to discuss for a little while the type of research that will be conducted on the international space station and discuss the research currently being done on the space shuttle. As I talk about this research, I want to emphasize what the benefits of the research have been, or could be, for those of us right here on Earth. Then I would like to discuss a particularly promising area of research, and that was the one I mentioned before that involves the very similarities of aging and space flight.

Space station research areas. The following is a list of some of the fields to be explored aboard the space station: Biotechnology, which is very promising. While some significant advances have been made in microgravity research aboard the space shuttle, many projects need a sustained microgravity environment in order to obtain any useful result. For example—and this is a very promising—protein crystal growth projects, conducted in microgravity, have resulted in new cancer drugs, among other pharmaceutical breakthroughs. However, the longest shuttle mission has only been 17 days. Often, this is not long enough to grow adequate crystals for drug research and production. A sustained microgravity environment provided by the space station could lead to new weapons in the fight against such things as cancer, AIDS, and other terminal illnesses. I find that very exciting.

In talking to some of the people at NASA who are dealing with these areas, they say that some day a Nobel Prize will be given for some of the breakthroughs that are imminent. I think that is entirely possible.

Private industry is working with NASA's Center for Macromolecular Crystallography to produce high-quality protein crystals for new drug development. Drug companies such as Scherring Plough, Eli-Lilly, Upjohn, Bristol-Myers, Squibb, Smith Kline Beecham, Biocryst, Dupont Merck, Eastman Kodak, and Vertex are using protein crystals to research cancer, diabetes, emphysema, and immune system disorders, including the HIV virus. That is exciting to me because you cannot develop crystals of this purity or size here on Earth because of the ''G'' environment. In space, they grow differently, larger, and you can separate them out, and they grow more pure than on Earth. It opens up new fields of application for pharmaceutical breakthroughs. You can only do that in a lengthy period of time on the space station. To me, the potential in that area alone is worth everything that we are thinking about spending on the space station.

Another area is mammalian tissue culture. Consider that field. The purpose of tissue culturing is to replicate what goes on inside the body, but in a controlled environment. Unfortunately, several factors conspire to limit the size and the shape of tissue cultures in a normal Earth-bound lab.

For example, tissue cultures are extremely sensitive to shear forces caused by fluid flow. Microgravity provides a reduced stress environment, which allows much larger tissue masses to develop. Tissues grown in a microgravity environment not only grow large, but they resemble what actually happens in the body. They would no longer settle at the bottom of a Petri dish in a lab. You would develop that tissue culture much as it would occur here on Earth in a human body where it is in a 3D environment. Clearly, the more accurate and living model we have, the more accurate the results of any experiment that is done with the model. This branch of research is particularly promising for cancer research. That is actively underway, and it has been on the space shuttle and will be to a greater degree on the space station.

Materials science. The space station will play an integral role in this research area. The zero-gravity environment available in the space station will allow scientists to study how gravity influences the crystal growth process I mentioned, and the primary offshoot of crystalline growth can also be polymer production. Polymers are long chains of organic molecules used in everything from nylon and polyester to the plastics found in cars and medical implants. With breakthroughs in this area, the impact could be enormous.

Life sciences. Variable gravitational fields are an excellent research tool in addressing fundamental biological

questions. Cell response to external forces results in changes in gene expression and protein synthesis. By studying cells in microgravity, researchers hope to better understand how such basic cell functions are carried out. This is the first step in learning how to improve care for genetic disorders and other cell imbalance problems.

Space physiology. Microgravity research also helps improve our understanding of bodily systems. From the basic functions of the heart and lungs to the complex neurosystems controlling balance, perception and cognition, information gathered from space station research will improve health care on Earth. For example, astronauts lose bone and muscle mass in microgravity. In learning to treat these flight problems, scientists have uncovered new insights into osteoporosis and aging. With continued microgravity experiments, it is possible that researchers could minimize some of the debilitating effects of aging.

Technology and engineering. Not only will the space station help improve human life on Earth, but it will also contribute to a more energy-efficient future. The microgravity environment of the space station will allow scientists to study combustion processes. Improved combustion efficiency leads to improved energy conservation. Just a 2-percent increase in burner efficiency for heaters would save the United States $8 billion per year. Advances in combustion research have already occurred on the shuttle. They have been working on that on several flights already.

Fluid physics experiments will be also conducted aboard the space station. By studying fluid behavior, scientists hope to improve their understanding of important activities from energy production to materials engineering.

Recent shuttle research. Mr. President, one of the challenges in describing the benefits of NASA research is explaining how it affects our everyday lives. Too often when scientific issues come to this floor, my colleagues become afflicted with that unfortunate condition we are all familiar with known as MEGO—My eyes glaze over. Today, I hope to relate recent scientific findings from the space shuttle program in an easily understandable fashion so that we can understand what our significant investments in this program are yielding. I would like to spend a few minutes describing some of the research conducted on three recent shuttle flights. This discussion is relevant because the research and experiments I will discuss are examples of the type of research that will be conducted on the space station.

One of the missions up a short time ago was the life and microgravity sciences mission, STS–78. Earlier this month the astronauts on flight STS–78, also called the Life and Microgravity Sciences, or LMS, mission, returned to Earth after a record-setting 17-day mission.

During this mission a number of important experiments were conducted that could lead to new breakthroughs in our understanding of disease, how it occurs, the aging process, as well as basic research in materials formation.

Musculoskeletal tests: Research conducted in this area could help scientists develop measures to reduce inflight muscle atrophy and also fight certain muscle diseases and osteoporosis on Earth.

Metabolic experiments: These experiments involved the crew collecting fluid and calcium tracer samples throughout the flight to help investigators measure bone loss and changes in metabolism.

Circadian rhythm and sleep study: This study examined the crew's brain waves, eye movement and muscle movement during sleep. Results of this study may also benefit people on Earth by helping people whose sleep schedule suffers from shift changes or jet lag.

Neuroscience experiments: These experiments examine the crew's adaptation to microgravity in regard to balance and spatial orientation. What is learned in this area could lead to developments to combat motion sickness in cars, boats or aircraft—as well as in space.

Advanced gradient heating facility: Six individual experiments were run that examined solidification of alloys and crystals. The benefits of this research could lead to improvements in the way semiconductors are manufactured. And that would be an enormous step forward.

The bubble, drop, and particle unit: A dozen experiments were conducted to examine how gas bubbles and liquid drops interact during heating. Research gathered from experiments completed could lead to advances in material processing on Earth, including the development of new types of glass and ceramics.

USMPS–3—STS–75

In March of this year, seven astronauts aboard the shuttle *Columbia*, on flight STS–75, returned to Earth. This flight included two astronauts from the European Space Agency—thus demonstrating that international cooperation is working well with the shuttle program. One of the successes of that flight was the research conducted using the U.S. microgravity payload (USMP–3). Using four major experiments on support trusses in *Columbia*'s payload bay, the astronauts and researchers on the ground, studied the formation of solids and liquids in microgravity. Much of the work conducted on USMP–3 will help calibrate and improve the research done on the space station—thus enabling station researchers to more quickly begin more productive research.

Basic research was also conducted with USMP–3. On an experiment dubbed ''Zeno'' researchers were able to identify the precise critical point of the element xenon. The critical point or temperature is that precise point when an element is in a liquid and gas phase at the same time. This research goal was achieved by lowering the xenon sample's temperature and pressure in increments of a millionth of a degree. Because gravity on Earth causes mixing of samples that destabilizes them as they near the critical point, this is research that simply cannot be conducted on Earth.

This is basic research. It is not immediately clear what scientists might learn from this experiment. What is clear is that researchers now have a more fundamental understanding of what happens when materials change from one phase to another. This insight could lead to breakthroughs in superconductivity or magnetism. I ask unanimous consent that an article discussing this experiment that appeared in Science News be included in the RECORD at this point.

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

[From Science News, Vol. 149, Apr. 20, 1996]

CREEPING TO A CRITICAL POINT

(By Ivars Peterson)

When the space shuttle Columbia touched down at NASA's Kennedy Space Center in Orlando, Fla. on March 9, it returned a remarkable instrument to Earth. Designed to monitor laser light scattered by a dense, compressed gas teetering on the brink of turning into a liquid, this precision apparatus had operated continuously in space for more than 14 days.

During this time, researchers had relayed dozens of instructions to the equipment, controlling the temperature of an ultrapure, high-pressure sample of xenon to millionths of a degree. By taking advantage of a setting in which the effects of gravity do not obscure details of a material's activity, they could bring the xenon sample excruciatingly close to its critical temperature—the point at which its liquid and gas phases coexist and blend into one.

Robert W. Gammon of the Institute for Physical Science and Technology at the University of Maryland in College Park and head of the research team dubbed this project the Zeno experiment in honor of the philosopher of ancient Greece who pondered the paradox of traveling a finite distance in steps that became vanishingly small.

The recent shuttle experiment represented the culmination of years of work by a large group of scientists, students, engineers, and technicians at the University of Maryland, NASA's Lewis Research Center in Cleveland, Ball Aerospace in Boulder, Colo., and several other organizations.

''No other microgravity instrument has logged as many hours as the Zeno experiment,'' says R. Allen Wilkinson of the space experiments division at Lewis. ''It's gone through two launches and two landings, and it's gone through hundreds of hours of operation in orbit and more than 10,000 hours of testing on the ground.

''That's an impressive reliability record,'' he insists.

The data provided by this instrument brought researchers closer to a fundamental understanding of what happens when materials change from one phase to another, whether from gas to liquid, from ordinary conductor of electricity to superconductor, or from nonmagnet to magnet.

In particular, Gammon, project scientist Jeffrey N. Shaumeyer of Maryland, and their team observed with unprecedented clarity xenon's behavior as the gas hovered within microkelvins of its critical temperature of 289.72 kelvins, or about 16.7°C.

The physical state of a material depends on its temperature and pressure. For instance, at sea level pressure on Earth, water exists as a liquid at temperatures between 0°C and 100°C. When the temperature goes above 100°C, it changes phase to become a vapor. During this phase transition, the material's density decreases considerably.

By increasing the pressure, it's possible to raise water's boiling point while increasing the vapor's density. At sufficiently high temperature and pressure, the difference in density between the liquid and vapor phases diminishes to zero. At temperatures within millikelvins of this critical point, the fluid fluctuates rapidly between liquid and vapor, creating density waves.

These density fluctuations scatter light, making the fluid appear milky instead of clear and colorless. This phenomenon is known as critical opalescence.

On Earth, it's difficult to observe the details of these fluctuations because the fluid's own weight compresses part of the sample, distorting the waves. In orbit, where the apparent force of gravity is only one-millionth as strong as it is on the ground, such distortions disappear.

For their experiment, Gammon and his team used a sample of pressurized xenon only 100 micrometers thick. By shining laser light into the sample, they could monitor how the density fluctuations scattered light, making the sample look like a twinkling star.

As the sample temperature approaches the critical point, ''those twinkles get slower and slower and more and more intense,'' Gammon says.

By watching these trends, the researchers could readily monitor how closely the xenon had crept to its critical state as they slowly and systematically manipulated the temperature. They had to be extremely careful not to step through the critical point itself.

''If we had made a temperature error and gone through too large a step too quickly, we would have messed the sample up,'' Gammon says.

On its first shuttle flight, in March 1994, the instrument allowed the researchers to make measurements to within 100 microkelvins of the critical temperature.

''The outstanding performance of the Zeno instrument during the mission gave a fine demonstration of the possibility of making high-precision materials measurements in low gravity, as well as the power of a flexible, ground-commanded experiment,'' the research team concluded in its report on the first run.

Two years later, having learned how to control temperature changes considerably more carefully, the researchers put the Zeno experiment back on board space shuttle Columbia for a second try (SN:3/16/96, p. 165).

''For 14 days, we worked our way up to more and more intense fluctuations, and on the last day, we scanned across and actually saw the transition more sharply than I have ever seen it,'' Gammon says.

Beyond the transition, as the sample cooled further, it began breaking apart into separate phases, with drops of liquid forming within the vapor and pockets of vapor forming within the liquid to create a kind of fog.

''The transition was really there, right where we projected it would be,'' Gammon observes. ''We could locate the transition to about 10 microkelvins.

''You can't see it this way on the ground,'' he says. ''It was a delightful conclusion to the 2-week experiment.''

There are no more flights planned for the Zeno experiment. To get even closer to the transition point and to get more detailed data, the researchers need more than 14 days in space: It takes longer than that for tiny temperature differences across the sample to even out. ''We're still struggling with equilibration issues in the microgravity environment,'' Wilkinson notes.

''There's more to be learned,'' he adds. ''But the experiments would be very difficult and require a lot more time.''

Mr. GLENN. Another interesting experiment conducted on USMP–3 is called the isothermal dendritic growth experiment. Dendrites are tiny crystalline structures formed from molten materials as these materials solidify. The size, shape, and orientation of the dendrites determine the strength and durability of steel, aluminum, and superalloys used in automobiles and airplanes. This experiment was designed to test assumptions concerning the effect of gravity driven fluid flows on dendritic formation. What is learned from this experiment could have an impact on such major industrial processes as alloy and steel manufacturing.

USML–2—STS–73

Last November the shuttle flight STS–73 returned to Earth thus concluding the space-based portion of the second U.S. microgravity laboratory flight [USML–2]. On board the shuttle were a number of sophisticated scientific instruments to explore biological, chemical, and materials sciences in microgravity. The experiments carried aboard USML–2 include the following:

Advanced protein crystallization facility: This facility can grow crystals three different ways. By growing larger, more highly ordered crystals, scientists may be able to better understand biological processes, leading to advances in medicine and agriculture.

Astroculture facility: This facility is designed to support growth of plants and to study how starch accumulation in plants is affected by the microgravity environment.

Commercial generic bioprocessing apparatus: This research tool allows a variety of experiments to be performed in the area of biomedical testing and drug development, ecological systems development, and biomaterials products and processes.

Crystal growth furnace: This furnace is also used for crystal growth experiments. It can process multiple large samples at temperatures above 1,000 degrees Celsius.

Drop physics module: This experiments has been developed so that scientists can study several fluid physics phenomena: a simple surface, such as the sphere formed by a liquid drop in the absence of gravity; how a drop reacts to different forces: and how surfaces and compound drops—a drop in one liquid surrounding a drop of a different liquid—interact.

These are important things and what they can learn here from manufacturing processes and for laboratory experiments right here on Earth.

Geophysical fluid flow cell: The purpose of this experiment is to study how fluids move in microgravity as a means of understanding fluid flow in oceans, the atmosphere—even stars.

Glovebox: The glove box is used for a variety of experiments, and enables hazardous or toxic materials to be incorporated in experiments, while they are isolated from the general environment in the lab.

Space acceleration measurement systems: This equipment enables scientists to accurately measure the microgravity environment on the shuttle to better calibrate experiments and design experiments for the station.

Surface tension driven convention experiment: This experiment will allow scientists to investigate the basic fluid mechanics and heat transfer of thermocapillary flows generated by temperature variations along free surfaces of liquids in low gravity.

Zeolite crystal growth experiment: Zeolite crystals are used in the chemical process industry as filters, catalysts, and adsorbents. The purpose of this experiment is to understand zeolite crystallization and growth so as to achieve high yields of large nearly perfect crystals in space, something that cannot be done here on Earth.

What can be learned from all of this? Why am I going through all of these technical terms here? What good is it? Let me talk about that a moment.

Knowledge gained from USML–2 research could lead to:

Custom tailored drugs, made possible by determining structures of proteins involved in diseases, and then designing drugs to disrupt specific protein;

Faster, more efficient and less costly semiconductors for high speed digital circuits, solid state lasers, and infrared detectors;

A new form of drug delivery: injecting a disease fighting cell into the body, protected by a polymer outer shell developed in space;

Improved crude oil recovery, environmental cleanup and synthetic drug production, based on better knowledge of how chemicals alter the surface properties of liquids;

Sophisticated materials production by controlling unwanted fluid flows in molten materials and welding;

More accurate weather forecasts, as improved computer models of atmospheric fluid behavior and in predicting ocean flows and weather patterns;

Implants, such as synthetic skin and blood vessels for burn victims, based on commercial research into biological materials;

Less expensive gasoline, by improving zeolite crystals used to crack crude oil into refined petroleum;

Stronger, more easily shaped ceramics from insights into how the microscopic structures of solids form; and

More efficient fuel use and pollution control, derived from a better understanding of the combustion process.

Mr. President, any one of those items I just mentioned as possible benefits

out of this research going into space—just one breakthrough in any one or two of those areas—would make the whole space station program worth every penny that we are going to spend on it.

USML–2 technologies are already being used on Earth. For example, devices for early detection of cataracts, based on laser light scattering instruments developed for USML–2 investigations.

These are already being used right now.

Efficient lighting systems for large commercial nurseries, designed for the space plant growth chamber.

These are already in the news.

Let me talk for a little while about another issue, the bioreactor.

Growing tissue samples—so-called tissue culture—is one of the fundamental goals of biomedical research.

Scientists use laboratory containers called bioreactors to grow or culture samples of body tissues. Scientists could use cancer tumors and other tissues that are successfully grown outside the body to test and study treatments, like chemotherapy, for instance, without risking harm to patients, if we were able to do this. These tissues from bioreactors will also offer important medical insights into how tissues grow and develop in the body.

NASA engineers have already created breakthrough technologies for cell culture research on the ground and major breakthroughs can be expected once time on the space station becomes available.

For example, NASA developed bioreactors have already produced the first 80-day lung culture, the first normal human intestine culture, and major breakthroughs in the quality of ovarian cancer tumor cultures. Though superior tissues may be grown in some Earth bound bioreactors, when compared with traditional sell culturing techniques, there are still limits to the size and quality of the tissue. Many scientists believe that far superior tissues can be grown in the extended microgravity afforded on the space station and preliminary tests on the space station support this idea.

Mr. President, when we do these experiments in a laboratory here on Earth, we are still affected by gravity so that experiments that are done in a Petri dish or whatever the experimental laboratory piece of equipment may be, you still have difficulty in that tissue does not grow in its normal way that it would if it was in a 3–D environment in the body. And with the bioreactor in space that kind of growth is possible and has already occurred on the first experiments so we then can have a culture, a tissue culture that is more like what occurs in the real human body.

In the long term, tissues cultured outside the body may be used directly even for replacing damaged tissues, treating diseases, or eventually perhaps sometime even replacing organs.

Let me give a few highlights of recent research.

Dr. Jeanne Becker of the University of South Florida has applied NASA technology to create a breakthrough in culturing ovarian cancer tumors for cancer research.

Dr. Josh Zimmerberg of the NIH National Institute for Child Health and Human Development is using NASA-developed bioreactors and NASA-funded resident technical staff to pursue AIDS research goals under a 1994 to 1998 NASA–NIH joint venture. And I would add that the NASA and NIH have 18, I believe there are, memoranda of agreement—they are cooperative agreements in any event back and forth—to work in this area of how the studies of NIH and NASA can be correlated together to get the maximum effect.

Dr. Lisa Freed of the Massachusetts Institute of Technology is using a NASA bioreactor to grow cartilage cells on biodegradable scaffolds. Her work shows a clear prospect for using the space station to produce models and transplantable cartilage tissues that could revolutionize treatment for joint diseases and injuries.

STS–70 in July 1995. In July 1995, a NASA bioreactor flew to orbit aboard the space shuttle *Discovery,* and the primary purpose of this experiment was to test the performance of the bioreactor which worked successfully.

Poorly differentiated human colon carcinoma cells were grown in a bioreactor aboard the space shuttle *Discovery* and their growth was compared with that of similar cells in a bioreactor in normal gravity as well as in conventional two dimensional tissue cultures. The space grown clusters of cells were approximately two times larger than the ground-based samples but the significance of this must be determined yet by much study on the ground and many more data points from space experiments.

Ground-based analyses by Dr. J. Milburn Jessup of the Harvard Medical School will address the histology of the preserved tissue specimens and the production of specific proteins such as CEA.

The NASA–NIH agreement on biomedical research, let me talk about that for a moment. NASA and the National Institutes of Health recently have signed an agreement that will combine the unique talents and experience of both agencies in biomedical research and exploit NASA's bioreactor technology to produce fully three-dimensional tissue cultures for laboratory research. This agreement will increase the capabilities of biomedical researchers throughout NIH by transferring NASA technology to NIH and establishing a center within the National Institute of Child Health and Human Development. The new center will teach this new technology to hundreds of neighboring NIH intermural laboratories that currently employ other tissue culture techniques as part of their ongoing research. The initial goal of the agreement is to engineer a human lymph node model for AIDS research and then to extend the use of this technology to a broad spectrum of tissues available at the NIH. This collaborative effort will enable researchers to culture tissues previously deemed too complex for current tissue culturing technology.

To accelerate the development of this critical tissue culturing technology, research grants were recently awarded under a NASA research announcement. Included in the selections are support for two research centers located at the Massachusetts Institute of Technology in Cambridge and the Wistar Institute in Philadelphia that will transfer the NASA bioreactor technology for culturing three-dimensional tissues to university researchers. These centers expand the pace of technology transfer in the biotechnology areas begun when NASA and NIH established a joint cooperative program within the NIH's Institute of Child Health and Human Development to exploit the NASA-developed bioreactor technology.

Protein crystal growth. Data from space to revolutionize pharmaceuticals in the 21st century.

Rapid advances in biotechnology combined with enhanced data from protein structures promise to revolutionize the pharmaceutical industry in this country—indeed, around the world. Researchers seek to define the structures of proteins and ultimately to design drugs that interact with them. Penicillin is a well-known example of a drug that works by blocking a protein's function. In order to define protein structures with precision, researchers analyze protein crystals. Unfortunately, many Earth-grown crystals have flaws that limit their usefulness as data sources or are too small to provide adequate data.

Orbital experiments provide researchers with superior protein crystals for analysis and they also help scientists understand the fundamental concepts about the crystallization process. This information can be used to improve crystallization techniques here on Earth. Researchers will soon be able to use enhanced data on protein structure derived from space station research to design a whole new generation of drugs to target a long list of specific diseases.

Once again, if we didn't have anything come out of the space station except advances in this particular area, it would be worth far more than anything we are spending on it.

Rationally designed drugs promise to revolutionize health care, and orbital research will feed this revolution with the crucial protein structure data it needs. NASA researchers have already used space shuttle missions to produce protein crystals for a variety of clinical conditions including cancer, diabetes, emphysema, and immune system disorders.

Let me start that sentence again. They have already used space shuttle

missions to produce protein crystals for a variety of purposes. These space-grown crystals were far superior to any crystals grown on Earth for revealing the structure of proteins and supporting the development of drugs.

Recombinant DNA human insulin. The Hauptman Institute of Buffalo, in collaboration with Eli Lilly, has obtained an improved description of human insulin-drug complex based on space-grown crystals. They are currently working on the design of a nontoxic drug that will bind insulin, thereby improving the treatment of diabetic patients.

Porcine elastase. Elastase is a protein which is involved in emphysema. The refined structure of this protein was obtained using space-grown crystals. Vertex Pharmaceuticals is designing drugs based on this data to improve treatment for emphysema.

HIV, the virus that causes AIDS. NASA is supporting the microgravity crystallization of HIV reverse transcriptase. That is a critical enzyme for viral replication. It is believed this research will better define the enzyme structure, so that effective pharmaceuticals can be developed to inhibit the HIV virus.

What could be more important than looking into that?

The structural biology space program at NASA's Center in Excellence in Biotechnology was the first to publish a structure of a major human antibody that recognizes the AIDS virus. That was a breakthrough.

Human serum albumin, HSA. That is a primary binding protein in the blood and is responsible for distributing drugs throughout the body. Eli Lilly and Co. is using this structural information from space-grown crystals to design drugs that exhibit improved interactions with HSA. The potential impact of this HSA structure on drug design and delivery is also enormous.

Mr. President, that takes us through quite a listing here of some technical things I thought it was important to get into the RECORD. Let me talk for a moment about the international aspects.

Thirteen nations, including the United States, Canada, Italy, Belgium, The Netherlands, Denmark, Norway, France, Spain, Germany, United Kingdom, Japan, and Russia will join together in the largest scientific cooperative program in history. This is the first time this number of nations has been able to draw together and run this type of project together. Drawing on Russian expertise in long-duration space flight and existing Russian technology and equipment, the international space station will help redirect the focus of Russian technology programs to nonmilitary pursuits.

Perhaps more important, the space station will serve as a symbol of the opportunities available through peaceful international initiatives. There will be several laboratories aboard the space station. One United States lab, one other United States facility, a European space agency Columbus Orbital Facility, a Japanese experiment module, and Russian research modules. Partner nations will contribute $9 billion to the U.S. cooperative effort.

International contribution means international cooperation, bringing together the best scientific minds worldwide to answer fundamental scientific questions.

Since NASA began, the agency has been very effective. They have reached out to the community at large with programs to educate the average U.S. citizen on the contributions of NASA to society. Astronauts make thousands of appearances every year all over the world, speaking with people of all ages about their experiences and their research. Traveling aerospace education units, sponsored by NASA, visited over 500,000 students last year, and tens of thousands of students participated in urban community enrichment programs to get students interested in science and mathematics.

These inspirational efforts are an investment in our future. It is a future including a fully operational space station. Students here on Earth will be able to place experiments on the space station and run those experiments, indeed, from their classrooms. NASA virtual reality technology will make it possible for students to experience life on the space station without ever leaving their classrooms.

Mr. President, these are enormous steps forward. They will only become reality if we have the space station. I know there are those, and we will probably have a vote on it tomorrow sometime, who wish to knock out support for the space station. I think that would be extremely myopic in our vision of the future. I think the space station has the promise of developing wholesale changes and contributing to the changes in medicine, materials research and all those things I have gone through, not in complete detail today because any one of these items could be talked about as long as I have stood here this afternoon. But I have tried to hit the high points of some of the things I think are important as to why the space station should continue into the future.

There are some other areas that are less quantifiable, that are a little less describable. That is how we look at ourselves. Are we willing to put money into this research for the future? If there is one thing, it seems to me, we have learned throughout the past in this country it is that we, more than any other nation on Earth, we have been the ones who have had the curiosity. We were the ones who did the research, whether macroresearch or geographical research or microresearch, going into the laboratory and trying to get down to discover things at atom size. We have been the Nation that led the whole world in this kind of technology and this research. However every single time it has not resulted in a home run.

But if there is one thing we have learned in the past in this country it is that money spent on basic research, the basic fundamental breakthrough type research, is that has usually paid off in the future beyond any possible thing we can imagine at the outset. I think this space station, with its capability to do research in microgravity over an extended period of time, has the greatest potential of anything we have come into for a long time.

Not only that research, but also just having the space station, and having space flights, having this kind of research go on, is exciting to our young people. I run into kids, young people of grade school, high school, college age, all the time in my travels around the country and back home in Ohio, who are excited about these things. They want to know about it, what it is like. What experiments can they run? They are very interested in it. A lot of them are studying math and science now because of their interest in these programs. I do not want to take that encouragement away. I want to see that encouragement expanded and continued.

I wish we had money enough to send up several space stations. Maybe that would hasten things somewhat. I am realist enough to know that is not about to happen. But these programs have truly been an inspiration to our young people. It has given them goals, has given them a vision of what we in this country can do. If we can do it in science research why can we not improve our Government? Why can we not improve our relationships with each other? Why can we not do lots of things?

The answer is, we can. This stands as a symbol to our young people of encouragement to be curious, to do the research. Not just in this, but in a lot of different areas. It is inspirational to our young people and I think to those of us who are older also. Because we do see ourselves leading the world with this technology and leading research. We do not want to lay that kind of lead down. We cannot afford to see some other nation take up that kind of a lead.

Being a leader in technology and research is what results in us having control of our own future. To take any other view of it, to say we will cut this out because we have some other needs, I think would be very shortsighted. Do we have other needs? Of course. Can we provide for some of those other needs? Yes, I think we can. At the same time, we do not want to give up what I think is one of our greatest projects for the future, and that is the space station.

Mr. President, we are always faced with the people who say what good is it, as though you are supposed to know the results of research in advance. Of course, we have the example of Faraday talking to Disraeli, the British Prime Minister. It has been often quoted. This was in the early dawn of the electrical age, when they had some

sparks jumping from one bottle to another.

Disraeli is supposed to have asked Faraday, ''But what good is it?''

Faraday's reply was, ''What good is a baby?'' What is the potential? We do not know. Yet, out of that curiosity, that research, came the whole electronic, electrically powered world that we know today, with all the benefits and the standard of living and improvements in health that is brought to us and the whole world.

Another example of this is one I used here on the floor last year. Daniel Webster rose in the Senate Chambers, even as we rise and debate this subject every year. Daniel Webster rose back in his day in the early 1800's when they were debating whether to buy some land for the Government, to acquire some land west of the Mississippi River. Daniel Webster was against that. He put into very eloquent words what he thought about what good it could possibly be out there.

This is what he said referring to that area beyond the Mississippi.

> What do we want with this vast worthless area, this region of savages and wild beasts, of deserts of shifting sands and whirlwinds of dust and cactus and prairie dogs? To what use could we ever hope to put these great deserts or those endless mountain ranges, impenetrable and covered to their very base with eternal snow? What can we ever hope to do with the western coast, a coast of 3,000 miles, rock-bound, cheerless, uninviting, and not a harbor on it? What use have we for this country? Mr. President, I will never vote one cent from the public treasury to place the Pacific coast one inch nearer to Boston than it is now.

Daniel Webster's quote reminds us that when we are looking to territorial exploration, or whether it be microexploration in the laboratory, or combining the two in research in new places to travel and microexperimentation on something like the space station, we really cannot predict what may come from that kind of curiosity. Curiosity has built this country, how to do things better, how to do things in a better way, whether it is to establish a better democracy and a better representation of the people, how to do industrial research, how to do transportation research, all of these different areas—medical research—that we lead the world in.

I hope that we can have a resounding vote, when the vote comes up, if there are efforts made to cut back on the space station.

Mr. President, I have gone on longer than I have before when this subject has come up because I thought it was important this year, in support for the space station, to just at least name some of these areas that I know do have big titles. They are difficult to understand, but they are the scientific research that is the building blocks for everything else that happens in our society. I think it is important that we establish very solid support for this program. I yield the floor. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COVERDELL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BOND. Mr. President, I thank our good friend, the very distinguished colleague from Ohio, for his very perceptive and persuasive comments about space programs generally and specifically about the space station. No one in this body speaks with more personal authority than Senator GLENN on these very important issues. What he has said is of great importance to all of us. I share his hope that not only all our colleagues, but people throughout this country, will listen to his comments and his heartfelt statements about the importance of space and of scientific inquiry.

URBAN SEARCH AND RESCUE

Mr. KERREY. Mr. President, I wanted to bring to the chairman's attention a fine urban search and rescue team in Lincoln, NE. It was the first team to be recognized by FEMA and has been ongoing since 1991.

Mr. BOND. I thank the Senator for bringing that to my attention.

Mr. KERREY. I am concerned that the Lincoln team has been underfunded. At the same time, this bill calls for five new teams. Is it the Senator's intention to start five new teams prior to adequately funding existing teams?

Mr. BOND. I fully support strong urban search and rescue teams, especially in the Midwest. I believe FEMA should move quickly to assure an appropriate geographical mix of teams that are funded adequately. Furthermore, FEMA should consider decommissioning some teams that do not meet the urban search and rescue programs' high standards.

Mr. KERREY. Would the Chairman encourage FEMA to strengthen existing Midwest teams, as they start new teams?

Mr. BOND. Yes.

ENDOCRINE DISRUPTER RESEARCH

Mr. D'AMATO. Mr. President, I would like to take this opportunity to thank my colleagues for supporting my successful effort last session to add an amendment to the Safe Drinking Water Act legislation. The amendment would establish a new screening program to identify pesticides and other substances in drinking water that would have an effect on humans similar to effects produced by naturally occurring estrogen or other endocrine effects. A provision very similar to my amendment was also included in the bipartisan food safety legislation, H.R. 1627, that overwhelmingly passed the Senate last week.

These amendments address a growing concern over the effect of pesticides and other substances on human endocrine systems and their ability to increase the likelihood of disease, such as breast cancer. The screening program established in these amendments will play an important role in developing our understanding of the nature of so called endocrine disrupters and their potential effect on exposed individuals. Given the passage and likely enactment of these provisions, I now want to make sure that there will be sufficient funds to implement these testing programs and that the testing programs will be based on the best science available. For this reason, I would like to ask my colleague from Missouri, Senator BOND, chairman of the Appropriations Subcommittee responsible for this legislation, whether there are sufficient funds in this bill to cover the anticipated cost of developing these screening programs and ensuring that they are based on the best science available.

Mr. BOND. I thank the Senator from New York for his concern for the health of the American public. The legislation under consideration does include funding for basic research on endocrine disrupters. If necessary, the Environmental Protection Agency should consider proposing a reprogramming of funds to develop the screening programs required under the food safety and safe drinking water legislation. I do, however share the Senator's concern that EPA base its testing programs and future regulations on the best science available, particularly as it embarks on relatively new areas of scientific investigation.

Mr. D'AMATO. I thank my colleague from Missouri. Given our shared concerns over the importance of the science in this new field of scientific inquiry, would it not be appropriate for the Environmental Protection Agency to enter into agreement with the National Academy of Sciences to conduct a comprehensive study of both the potential effects and the actual and potential exposures of humans to synthetic and naturally occurring hormonally active agents in the environment? The study could address a number of important issues central to the development of an effective screening program, such as how to select and prioritize chemicals and samples for testing, which test or tests to include in a screening program, and the most appropriate way to use the resulting information in developing risk estimates.

Mr. BOND. The Senator from New York is correct. Such a study could provide the Agency and the Congress with a comprehensive analysis of the relative risks from both synthetic and naturally occurring endocrine disrupters and mixtures of both, as well as the most cost-effective way of developing a screening program that identifies substances of potential concern.

Mr. INHOFE. If my colleagues will yield for a moment, I would like to endorse the recommendation made by the

Senator from New York. Requiring EPA to arrange for the National Academy of Sciences to conduct a full analysis of the science on endocrine disrupters will enhance our understanding of this new potential environmental threat. While I understand that the Academy's Board on Environmental Studies and Toxicology is already undertaking a study at the request of the Department of the Interior and the Environmental Protection Agency that focuses primarily on wildlife, toxicological mechanisms, and some human effects, this analysis could and should be broadened substantially to include a more comprehensive analysis of human exposures, sources of exposure, and the best ways to measure them, in order to help guide the EPA in developing these screening programs. In addition to comparing the relative risks between natural and synthetic endocrine disrupters and providing information on the proper way to prioritize chemicals and samples for testing, the Academy could also be useful in providing advice on how to use the resulting information in making public policy decisions and how to best communicate the results of any screening and testing program to the public.

Mr. FRIST. If my colleagues will yield for an additional comment, I would like to associate myself with the recommendations made by the Senator from New York and the Senator from Oklahoma. Since joining the Senate I have been surprised, as a physician and a lawmaker, with how few of our rules and laws seem to incorporate the best of our current scientific understanding, but instead have only political goals in mind. Good politics and good science must be combined in the promulgation of new rules, standards, and laws. With the recommendations outlined by my colleagues from Missouri, New York, and Oklahoma, I believe we have the opportunity to have good science and possible future regulation necessarily linked, and I commend them for their commitment.

Mr. BOND. I thank my colleagues from New York, Oklahoma, and Tennessee for their recommendations, and I agree fully. Given the expected value of this more comprehensive study, I would expect that the Administrator would consult with the National Academy of Sciences prior to the release of the comprehensive study before proposing a testing program for public comment that addresses potential endocrine disrupters. Once the study has been released, the Administrator would be expected to consider the findings and recommendations of the National Academy of Sciences included in the study in developing any future testing program or regulatory initiatives. I thank my colleagues for their recommendations.

HUNTSVILLE GLOBAL HYDROLOGY AND CLIMATE CENTER

Mr. SHELBY. Would the chairman yield for a question?

Mr. BOND. I would be happy to yield to the Senator from Alabama for a question.

Mr. SHELBY. I want to first commend the chairman and the ranking member for their skill in crafting this bill. I am particulary pleased that the committee reported bill has included an additional $100 million for the National Aeronautics and Space Administration over that proposed by the House. As the chairman knows, NASA is an important part of the Huntsville-Madison County, AL, economy, and I am grateful for the chairman's willingness to add these extra funds for NASA's 1997 budget.

I would like to make the chairman aware of an important project in north Alabama. Since 1994, NASA, the University of Alabama in Huntsville and the Universities Space Research Association have jointly run a Global Hydrology and Climate Center [GHCC] in Huntsville.

Since its creation, the center has developed a unique expertise in studying the importance of the Earth's hydrologic cycle and its importance to climate change. The GHCC has created a state-of-the-art capability and understanding the importance of water vapor and its effect on greenhouse gases. In addition to this basic research, the center has developed important applications that demonstrate the links between better understanding of hydrology and more cost-effective use and regulation of natural resources in the southeastern United States.

The Global Hydrology and Climate Center is currently located in leased space whose cost is shared between NASA and UAH. However, the center now has an opportunity to relocate to permanent, dedicated space as part of an existing UAH-owned facility by permitting the buildout of 46,500 square feet for the center's exclusive use. Unfortunately, because of NASA's accounting rules, driven by GSA guidelines, NASA cannot pay for its share of the cost of this buildout since the facility in question is nonfederal space. However, with an appropriation of $2 million, which could cover only those costs of this relocation that are attributable to NASA's share of the total cost of the relocation project, NASA and UAH could proceed to continue the GHCC in this new and more cost-effective space.

The cost savings of such a relocation are significant as NASA can reduce the long-term costs of its support for the center. Some estimates suggest that NASA could save more than $500,000 per year in rental costs that they now pay for their share of the leased space.

I wonder if the chairman would consider identifying $2 million within NASA's science, aeronautics and technology account to pay for this relocation in the upcoming conference on the 1997 VA–HUD appropriations bill?

Mr. BOND. I would be happy to consider the Senator from Alabama's request in conference.

Mr. SHELBY. I thank the chairman for his willingness to consider my request.

JAMES H. QUILLEN SCHOOL OF MEDICINE

Mr. FRIST. Mr. President, I would like to bring to the attention of my colleagues a very important project for the Department of Veterans Affairs and the James H. Quillen School of Medicine at Mountain Home, TN, which has been under construction for several years. The project involves the relocation of the medical school and the renovation of several VA buildings, with the intended result being an improved environment for both the medical school and the VA, and most importantly the highest quality medical care to Tennessee's veterans. Funding to complete this project in fiscal year 1997 is an extremely high priority to me.

Mr. THOMPSON. If I may echo the sentiments of my colleague from Tennessee, Mr. FRIST, that the joint project at Mountain Home represents a model relationship and combined effort between a Department of Veterans Affairs hospital and a medical school. The relationship provides both access to quality medical care for our veterans who are living at Mountain Home, and it provides a tremendous level of access to patients for the students and their teachers. Both the medical school and Mountain Home believe this relationship is critical to their success, and would like to further the level of cooperation.

Mr. FRIST. Mr. President, to that end of further enhancing the cooperative efforts between the two institutions, the State of Tennessee and the Congress have, since 1993, funded the planning and construction of a new, joint facility at Mountain Home. The State of Tennessee has provided $12 million thus far, with another $8 million this year. Congress has funded a total of $16.3 million, with the House of Representatives including the final Federal obligation of $15.5 million in their spending bill this year.

Mr. BOND. I thank both Senators from Tennessee for raising this important project. I would note that both Senators from Tennessee wrote me earlier this year expressing their strong support for funding in the fiscal year 1997 appropriation for the VA. Unfortunately, we were unable in the committee to provide the funds needed to complete this project since a decision was made to limit VA construction funds to outpatient projects, cemetery projects, and research facilities. However, I note that both Senators have been strong advocates for this project, and that funding for this project will be an issue in conference with the House on the VA–HUD appropriations bill.

Mr. FRIST. Mr. THOMPSON and I fully understand the constraints under which his subcommittee currently operates with regards to limiting Veterans Administration construction funds largely to outpatient facilities. However, would the Senator from Missouri be willing to consider receding to the House position in conference?

Mr. BOND. Mr. President, I would say to my colleagues from Tennessee that I, too, recognize the importance of this project for the James H. Quillen School of Medicine, for our veterans at Mountain Home, and for the State of Tennessee. I assure them that I will give very close consideration to their request when the Senate and House meet in conference on this bill.

Mr. FRIST. I sincerely thank my colleague from Missouri.

Mr. THOMPSON. I, too, offer my thanks for his diligent efforts on our behalf.

NEW YORK BOTANICAL GARDEN

Mr. MOYNIHAN. Mr. President, I rise to enter into a colloquy about the New York Botanical Garden with the distinguished Senator from Missouri and the distinguished Senator from Maryland. The New York Botanical Garden has the largest collection of plant specimens in the hemisphere, some 5 million including those collected by Lewis and Clarke. These are available to virtually any institution or researcher at no charge. The Department of Agriculture is the most frequent borrower.

Mr. D'AMATO. I would like to join my colleague from New York in support of the New York Botanical Garden. The Garden is much more than a collection of plant specimens. Its research scientists are continually out in the field collecting new specimens, particularly in Central and South America. In addition, one of the Garden's major initiatives is in economic botany, trying to find and promote rain forest plants that can be harvested and sold, such as those with medicinal value, rather than deforesting a region for farming.

Mr. MOYNIHAN. The New York Botanical Garden is in need of a new laboratory in which it will train graduate students and visiting scientists from this country and abroad. Their work is most important to the Garden's many efforts, but especially to the economic botany program.

Senator D'AMATO and I ask that when this bill goes to conference, the chairman and ranking member look for an opportunity to provide a $50,000 planning grant so that the New York Botanical Garden can begin the process of building a new laboratory.

Mr. BOND. I will certainly keep in mind the request from my colleagues from New York.

Ms. MIKULSKI. I too will keep this request in mind during the conference.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that a letter to Senator BOND be printed in the RECORD.

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

WASHINGTON UNIVERSITY IN ST. LOUIS,
St. Louis, MO, July 29, 1996.

Hon. KIT BOND,
Washington, DC.

DEAR SENATOR BOND: I am asking you to support a $50,000 planning to determine the feasibility of a new laboratory at the New York Botanical Garden. The Garden serves as a training facility for graduate students as well as visiting scientists from the U.S. and foreign countries in wide areas of plant biology and agriculture. The laboratory, if built, will house a mycology lab with research conducted in pathology of crops, etc., the study of systematic and developmental plant anatomy which will compliment research being done at the Missouri Botanical Garden (St. Louis), and other programs involved in research for medicinal properties of plants. The latter will be particularly valuable in relation to Washington University's program of drug discovery associated with our International Cooperative Biodiversity Group project which you helped so positively through the final stages of funding. The research and laboratory at the New York Botanical Garden are an integral part of modern science and the institution is world-famous for conducting first-rate scientific research.

I understand that such a study could be funded through the Environmental Protection Agency, the budget for which is under your Committee's jurisdiction. I appreciate you attention to and support for this request.

Sincerely yours,

WALTER H. LEWIS,
Professor.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY (ATSDR)

Mr. JOHNSTON. Mr. President, I rise today to speak to the merits of a program that has done great work in the field of medicine. The Agency for Toxic Substances and Disease Registry, or ATSDR, funded through the Environmental Protection Agency, has addressed the concerns of a lot of Americans, and has garnered the support of the Louisiana Department of Health and Hospitals, particularly the Louisiana Office of Public Health. The program has also received accolades from a network of universities that host programs aimed at expanding and enhancing numbers and qualities of specialists entering the health professions field. In Louisiana, the program has been essential to Xavier University, whose college of pharmacy is in the fourth year of a 5-year cooperative agreement with ATSDR and the Minority Health Professions Foundation. ATSDR helps the college provide training for pharmacists who are challenged with meeting the expanding needs of our society. Xavier is 1 of 11 universities nationwide that have ongoing programs of this nature.

Mr. SHELBY. I, too, would like to express my support for this program. In my State of Alabama, Tuskeegee University's School of Veterinary Medicine also participates in the Association of Minority Health Professions Schools, by contributing materially toward helping to control the cost of human health care by preventing zoonotic diseases. This, in turn, helps prevent an overload on human primary health care systems. The value of this program is self-evident.

Mr. JOHNSTON. Mr. President, I would like to ask my colleagues to join me in supporting this very worthwhile program, to stress the importance of funding ATSDR at the budget request level of $69 million, and to direct the Environmental Protection Agency to fund at $4 million the ATSDR minority health professions for the purposes of conducting essential research on hazardous substance induced diseases.

Mr. BOND. I can assure my colleague that this subcommittee has supported ATSDR in the past, and in particular has supported the minority health professions initiative. It continues to be a worthwhile program, and I am cognizant of the need associated with ongoing research and treatment efforts. I am sure that I and my colleague, the distinguished Senator from Maryland, ranking member on this subcommittee, will keep this in mind as we proceed to conference on the VA, HUD and independent agencies appropriations bill, H.R. 3666.

Ms. MIKULSKI. I would agree with the chairman, and support this excellent program.

Mr. JOHNSTON. I thank my colleagues.

CLEAN AIR

Ms. MIKULSKI. I would be grateful if the Senator would provide an interpretation of the assurance contained in the letter dated July 23, 1996, addressed to you and me from the U.S. Trade Representative and the Administrator of EPA. I will submit the text of the letter for the RECORD.

The letter states that compliance with the WTO decision ''will not result in the degradation of gasoline quality required by the Clean Air Act with respect to imported conventional and reformulated gasoline.'' I understand that the EPA proposed in 1994 a foreign refiner baseline rule that could have allowed foreign oil companies to export gasoline to the United States with higher levels of sulfur and olefins than allowed under existing rules. However, the letter we recently received provides assurances that the WTO compliance process will not allow foreign refiners to supply gasoline with higher levels of precursors of ozone pollution than are currently allowed.

Mr. BOND. The letter indicates there will be no degradation in the gasoline quality required by the Clean Air Act with respect to imports. My understanding is that foreign refiners will not be allowed to increase the content of precursors of ozone pollution in its gasoline supplied to the United States above the levels currently allowed.

Mr. BURNS. I would be grateful if the gentlemen would yield for one additional point. I received a letter from the U.S. Trade Representative and the Administrator of EPA regarding the foreign refiner baseline issue dated July 25, 1996. I will submit the text of the letter for the RECORD.

The letter provides additional comments regarding enforcement and states, ''EPA will not recognize individual foreign refiner baselines unless we have adequately addressed the issues of auditing, inspection of foreign facilities, and enforcement.'' It is my understanding the letter gives the administration's commitment to seek

equivalent levels of enforcement for foreign refiners before allowing the access that these refiners desire to reformulated and conventional gasoline markets.

Mr. BOND. I believe the Senator from Montana is correct. The letter indicates the U.S. Government will seek to bring all appropriate and available U.S. enforcement efforts to bear upon foreign refiners to assure that the data foreign refiners provide is useful and reliable.

Mr. BURNS. I thank the Senators from Missouri and Maryland and appreciate their hard work. I will continue to monitor this issue in the future and look forward to our continued cooperation on this issue.

I believe this is a good compromise to expedite the bill yet send a strong message about clean air and a level playing field for our domestic refiners.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

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

U.S. TRADE REPRESENTATIVE, U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, July 26, 1996.

Hon. CONRAD BURNS,
U.S. Senate,
Washington, DC.

DEAR SENATOR BURNS: Thank you for bringing to our attention your concerns regarding the WTO decision with respect to EPA's regulation on reformulated and conventional gasoline. We appreciate your understanding of the Administration's need for regulatory flexibility and your agreement not to support Congressional action circumscribing that flexibility, including introduction of a rider to H.R. 3666, the FY 1997 VA, HUD and Independent Agencies appropriations bill, regarding EPA's treatment of foreign gasoline under its regulations implementing the Clean Air Act.

On June 19, after consulting with Congress, we advised the World Trade Organization (WTO) that the United States intends to meet our WTO obligations with respect to the results of the dispute settlement proceeding brought by Venezuela and Brazil concerning the EPA's regulations on reformulated and conventional gasoline. We announced that we had initiated an open process which will examine any and all options for compliance. In evaluating options, the overriding criterion will be fully protecting public health and the environment, consistent with this Administration's commitment to strong and effective implementation of the Clean Air Act, in a manner consistent with U.S. obligations under the WTO. We can assure you that this process will not result in the degradation of the gasoline quality required by the Clean Air Act with respect to imported conventional and reformulated gasoline.

The U.S. government understands that the foreign refiner baseline issue and the WTO Appellate Body report on EPA's gasoline regulation is of great continuing concern to U.S. environmental and industrial organizations. We are committed to working closely with all interested parties, including specifically U.S. industry, the states and the environmental NGO community, during our review process. We recognize the concerns raised by members of the industry regarding the 1994 EPA proposal to use foreign refiner baselines. EPA will not recognize individual foreign refiner baselines unless we have adequately addressed the issues of auditing, inspection of foreign facilities, and enforcement. We are also very mindful of the concerns expressed by members of Congress and others that any response to the WTO decision should take into account impacts on the environment and should recognize the significant infrastructure investments undertaken by industry to meet the requirements for reformulated gasoline. We can assure you that we will incorporate these concerns of members of Congress in the review process. We are committed to a full and open administrative process in the formulation of any final rule.

We look forward to continuing to work with you throughout this process. Please do not hesitate to contact either one of us if we may provide you with further information.

Sincerely,

CHARLENE BARSHEFSKY,
Acting U.S. Trade Representative.

CAROL M. BROWNER,
Administrator, Environmental Protection Agency.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the letter dated July 23, 1996, be printed in the RECORD.

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

U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT.

ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, July 23, 1996.

Hon. CHRISTOPHER S. BOND, *Chairman,*
Hon. BARBARA MIKULSKI, *Ranking Member,*
Subcommittee on VA, HUD and Independent Agencies.

DEAR SENATORS: We are writing to strongly urge you to oppose a potential rider to H.R. 3666, the FY 1997 VA, HUD and Independent Agencies appropriations bill, regarding EPA's treatment of foreign gasoline under its regulations implementing the Clean Air Act.

On June 19, after consulting with Congress, we advised the World Trade Organization (WTO) that the United States intends to meet our WTO obligations with respect to the results of the dispute settlement proceeding brought by Venezuela and Brazil concerning the EPA's regulations on reformulated and conventional gasoline. We announced that we had initiated an open process which will examine any and all options for compliance. In evaluating options, the overriding criterion will be fully protecting public health and the environment, consistent with this Administration's commitment to strong and effective implementation of the Clean Air Act, in a manner consistent with U.S. obligations under the WTO. We can assure you that this process will not result in the degradation of the gasoline quality required by the Clean Air Act with respect to imported conventional and reformulated gasoline.

We are very concerned that any action taken by Congress casting doubt upon U.S. intentions could seriously interfere with our ability to reach the best possible resolution of this matter and could prompt Venezuela and Brazil to quickly seek authority from the WTO to retaliate by raising tariffs on U.S. exports. Even if such authority were not granted, there is a serious risk that we could face a harmful shortening of the period available for us to evaluate our options.

We are also concerned about the precedent such action could set. It would be most unfortunate if this type of legislative action were to be used by other countries as an excuse to avoid implementing the results of the many WTO disputes that we expect to win. The United States is pursuing numerous disputes against other countries' measures, including, for example, one against the European Union for unjustifiably limiting U.S. beef exports.

The U.S. government understands that the foreign refiner baseline issue and the WTO Appellate Body report on EPA's gasoline regulation is of great continuing concern to U.S. environmental and industrial organizations. We are committed to working closely with all interested parties, including specifically U.S. industry, the states and the environmental NGO community, during our review process. We recognize the concerns raised by members of the industry regarding the 1994 EPA proposal to use foreign refiner baselines. We are also very mindful of the concerns expressed by members of Congress and others that any response to the WTO decision should take into account impacts on the environment and should recognize the significant infrastructure investments undertaken by industry to meet the requirements for reformulated gasoline. We can assure you that we will incorporate these concerns of members of Congress in the review process. We are committed to a full and open administrative process in the formulation of any final rule.

We strongly urge you to oppose the rider. Please do not hesitate to contact either one of us if we may provide you with further information.

Sincerely,

CHARLENE BARSHEFSKY,
Acting U.S. Trade Representative.

CAROL M. BROWNER,
Administrator, Environmental Protection Agency.

CENTER FOR MOLECULAR MEDICINE AND IMMUNOLOGY

Mr. LAUTENBERG. Mr. President, I would like to engage in a colloquy with the distinguished managers of the bill.

Mr. President, the Center for Molecular Medicine and Immunology [CMMI], located in Newark, NJ, has been a leader in developing life saving treatment for cancers that plague our Nation's veteran population. In particular, CMMI is conducting research into radioimmunodetection and radioimmunotherapy, a new technology that uses radioisotopes and monochlonal antibodies to target tumors often too small for detection with traditional equipment and delivers cancer fighting therapy to targeted muscle tissue and organs with virtually no side effects. This has the potential to be very helpful to treating our Nation's veterans, many of whom suffer from cancer.

Mr. President, the House report on the fiscal year 1997 VA–HUD appropriations bill included language that encourages the Veterans' Administration to enter into a partnership with nonprofit research centers to expand these research efforts. The Senate report does not include such language. Does the Senator support the intent of the House language?

Mr. BOND. Yes. I am supportive of the House language.

Ms. MIKULSKI. I concur with the distinguished manager of the bill.

FUNDING FOR THE EPA LONG ISLAND SOUND OFFICE

Mr. LIEBERMAN. Mr. President, I rise to engage the chairman of the VA–HUD Appropriations Subcommittee, the Senator from Missouri, in a colloquy to discuss funding for the EPA's Long Island Sound Office. Senators D'AMATO, DODD, and MOYNIHAN have asked to join in this colloquy as well.

Mr. President, as the Chairman knows, the Long Island Sound Office [LISO] is responsible for coordinating the implementation of the sound's comprehensive conservation management plan [CCMP]. This office is faced with the daunting task of orchestrating a multibillion dollar, decadelong initiative that requires the cooperation of nearly 150 different Federal, State, municipal, and private institutions and agents.

Despite the odds, and the limited resources it has had to work with, the LISO is succeeding. Over the last 2 years, it has made tremendous progress in getting the cleanup started and beginning work toward the key goals outlined in the CCMP—limiting nitrogen loads, restoring damaged habitats, cracking down on nonpoint source pollution and the release of pathogens, and educating area residents about the importance of these conservation efforts and ways they can help.

We are deeply concerned, however, that this progress may be in jeopardy. In contrast to past years, the subcommittee has chosen not to provide any funding for the grant program the LISO is authorized to administer. In addition, it is our understanding that the National Estuary Program [NEP], which supplied $300,000 to the LISO in the current fiscal year to fund the office's operating budget, is planning to phase out its support of the LISO in fiscal year 1977. In fact, because of the increasing budgetary strain on the NEP, it is possible the LISO may be zeroed out completely.

Mr. DODD. I join my colleagues in urging the Senate to maintain our commitment to supporting the LISO. The loss of funding that Senator LIEBERMAN has described would severely handicap the LISO's ability to continue implementing the management plan, and could force the office to shut down operations, which would effectively stop the cleanup dead in its tracks.

Our conclusion is based on past experience. The New England River Basin Commission drafted a cleanup plan in 1975, and it disintegrated soon after its adoption because the program ended with the plan and did not focus on implementation. In other words, there was no central organizing and coordinating force keeping the many players at the table. The LISO is the glue that is holding this project together, and after spending millions of dollars and enormous time and energy getting to this point, we cannot afford to lose it. The environmental and economic health of our region depends on a sound Sound.

Mr. MOYNIHAN. Mr. President, we understand that the subcommittee is working under considerable budget pressures. But given the importance of this project to our respective States, we would ask that you make a concerted effort in conference to provide funding to keep this office moving forward. We are seeking an appropriation of $975,000 to cover the LISO's operating expenses and to expand its efforts to provide grants to State and local partnerships involved in the cleanup. But at a minimum, we would request that the conferees maintain support for the office at the current level of $650,000. We thank the chairman and the subcommittee's ranking member, Senator MIKULSKI, for consideration of this matter.

Ms. MIKULSKI. I understand the Long Island Sound Office is as my colleague, Senator DODD, states ''the glue that is holding'' the restoration of the Long Island Sound together. Recognizing the office's importance, I will do everything I can to support the Senators' request in conference.

Mr. D'AMATO. I would like to join my colleagues in expressing my support for the continued funding of the Long Island Sound Office. What many Senators may not know is that Long Island Sound is an economic as well as an environmental asset. The sound generates billions of dollars from tourism, boating, sportfishing, and a newly-revived shellfish industry. If the sound's recovery is threatened, the economies of both States will suffer and we will lose jobs that these industries sustain. Funding to continue to carry out the important work of the sound's management plan will help keep that recovery moving.

Mr. LIEBERMAN. In closing, I think it is important to point out that unlike other NEP participants, the LISO was chartered for the express purpose of carrying the sound's management plan beyond the development stage and to actually oversee and contribute to the implementation of this plan. It was for this reason that the office is authorized at $3 million annually to provide grants to State agencies, municipalities, and local partnerships. While we understand that the NEP may no longer be the appropriate source of funding for the LISO, we feel strongly that in no way should justify stripping this project of all its Federal support.

I also want to point out that the State of Connecticut reaffirmed its commitment to cleaning up the sound just last week when it approved a $52 million bond issue to upgrade wastewater treatment facilities in the cities of Norwalk and Waterbury. That investment is just the latest show of support from Connecticut and New York, and we strongly urge the Congress not to let those dollars go to waste.

Mr. BOND. I understand the priority the Senators from New York and Connecticut place on the restoration of Long Island Sound, and I recognize the unique challenges you face in implementing the long-term management plan. It seems clear that this effort cannot succeed without the guiding hand of the EPA Long Island Sound Office. Knowing of your deep concern, I will do everything I can to support your request in conference and at a minimum maintain funding at its current level. My hope is to secure report language directing the EPA to provide funding to the LISO at a satisfactory level.

COMMUNITY DEVELOPMENT

Mr. KOHL. Mr. President, I would like to address a question to the managers of the bill, the chairman and ranking member of the VA/HUD Subcommittee, Senators BOND and MIKULSKI. Let me begin by commending them for their hard work in crafting this bill under tough budgetary circumstances. We all agree that this bill will provide funds for diverse programs of vital importance to communities all across America. As such, I hope this Senate floor debate will yield a cost-effective and responsible bill that we can all support.

In particular, I would like to ask for the managers' input on HUD programs to foster community development. More specifically, funds in this bill are designed to promote economic growth and development that benefits entire communities, and it is my understanding that Congress has taken steps to target some of those funds to urban areas where Americans of the low and middle range live, work and raise their families.

As you may know, Marquette University has headed up the Avenues West Neighborhood Crime Intervention Demonstration Program in Milwaukee, WI. This innovative program has brought together a diverse group of public and private entities to focus resources on the causes of crime and its effects on individuals, families, and neighborhoods. The underlying goal of this effort has been to generate comprehensive community-based solutions to complex urban problems. Program participants include the city of Milwaukee, Marquette University, the Milwaukee Police Department, as well as other community organizations. Do the managers agree that the avenues west initiative is the type of comprehensive, community-based program that Congress would want to support through community development grants?

Ms. MIKULSKI. Yes. In fact, Congress has appropriated funds for this worthwhile program in the past through special purpose grants.

Mr. BOND. Mr. President, over the past 2 years the committee has worked very hard to eliminate the number of narrowly focused categorical programs in HUD. Instead we have placed a priority on focusing our declining budgetary resources on block grants such as the CDBG program, and other activities designed to increase local flexibility and decisionmaking. I would note that the

reported appropriations bill has the effect of increasing the amount available to cities and States under the CDBG program by $300 million. This will maintain the full $4.6 billion level for CDGB. I would add that there is no doubt in my mind that this neighborhood crime intervention program of Marquette qualifies for such CDBG funding.

In addition, let me note that earlier this month HUD issued a notice of funding availability for the $50 million appropriated in the current fiscal year for the Economic Development Initiatives Program. This is a nationwide competitive program which is designed to combat urban decline and to foster economic revitalization in our cities. The Marquette University sponsors should definitely consider participation in this competition since their program appears very much on point to the EDI effort, and I suspect, such an application should fare well in this HUD competition.

BENEFITS OF A DISPOSAL ENDOSHEATH

Mr. D'AMATO. Mr. President, I would like to state my support for an issue that I believe is important to the health of all veterans in detecting colorectal cancer. Specifically, I am referring to the flexible endoscopic procedures performed by physicians. Currently, there are two types of flexible endoscopes available to physicians to perform these procedures: One is a conventional endoscope that is manually cleaned and disinfected. The other is a redesigned endoscope which incorporates the use of a sterile protective covering called the EndoSheath. Using the EndoSheath protects the patient and health care provider from the risks associated with cross-contamination.

I am very concerned by the contamination risks associated with the use of impure patient-ready endoscopes on veterans. As such, it is important to ensure that the Veterans Health Administration is aware of and encouraged to explore the overall effectiveness of the single-patient, sterile, condom-like protective coverings that may help protect veterans from the risk of cross-contamination.

Mr. BOND. Mr. President, I share the concern expressed by Senator D'AMATO, and agree with him about the benefits of utilizing a disposal sheath when physicians conduct procedures using a flexible sigmoidoscope on patients to detect colorectal cancer. Disposal sheaths are widely used in private practice. Therefore, I also encourage the Veterans Health Administration to explore their use as a means of protecting veterans from the risk of cross-contamination.

NASA'S ACADEMIC PROGRAMS

Mr. INOUYE. Mr. President, the House of Representatives approved $110.8 million in fiscal year 1997 for the National Aeronautics and Space Administration's [NASA] academic programs. This amount reflects a $3.9 million increase from fiscal year 1996, and a $10 million increase above the administration's budget request. I understand that the Senate proposal did not include a funding increase for NASA's academic programs.

I support increased funding for this valuable program. This will allow NASA to fund ongoing programs as well as fund new innovative programs. One such program involves a science education program developed by Hawaii's Bishop Museum. NASA Administrator Daniel Goldin has indicated his personal support for this program which involves the creation of two dynamic multimedia planetarium programs and associated educational materials around the theme of exploration. The ''Journey by Starlight'' program is an interactive simulation of navigating a Hawaiian canoe from Tahiti to Hawaii. The ''Eyes of the Universe'' program will focus on modern technology and human exploration of the universe from earth and space-based observatories, particularly those in Hawaii.

Using various distribution techniques, it is estimated that at least 800,000 students and 500,000 families and nontraditional students across the Nation will experience these programs. Complementing the planetarium programs will be educational curricula for grades 3 through 12, an interactive and evolving World Wide Web site, video resources, and an interactive CD–ROM.

Mr. President, it is my hope that during the House-Senate conference you will support increased funding for NASA's academic programs and give consideration to the joint initiative between NASA and Hawaii's Bishop Museum.

Mr. BOND. I will be pleased to give your request every consideration during conference deliberations with the House.

FUTURE USE OF LAND ADJACENT TO THE LOS ANGELES NATIONAL CEMETERY

Mrs. FEINSTEIN. Mr. President, I would like to say a few words today relative to an effort being undertaken by veterans and local community organizations to protect and preserve land adjacent to the Los Angeles National Cemetery.

This land, 44 acres, was deeded as a gift to the Federal Government provided that its use would be for veterans. It is hoped that the land can be preserved so that as the need for veterans cemeteries grows, this land, which is adjacent to the Los Angeles National Cemetery, will be a valuable resource to the Department of Veterans Affairs.

It is my understanding that there have been requests of the DVA to lease this land for commercial development, including its use as the site for an NFL stadium. This has raised concerns by veterans and local communities as to the appropriate use of this land so close to a national cemetery where families and veterans go to honor their loved ones.

Local organizations are willing and able, through private resources, to develop this land as a park honoring our Nation's veterans. This proposal, in keeping with the intent of the gift of land, complements the existing cemetery and protects the land for future veterans' use.

I have received letters from the American Legion, the California Department of Veterans Affairs, and officials of numerous veterans organizations in the State expressing their support for this effort.

I would ask that the committee include language in its conference report directing the Department of Veterans Affairs to work with these organizations to develop the land into a veterans memorial park and to prohibit the Department from entering into any long-term, binding leases which would tie the use of that land into one inconsistent with the intent of its donor.

I applaud the local veterans, the California veterans groups, the U.S. Department of Veterans Affairs both in Los Angeles and Washington, DC, and the local citizens groups for working together to arrive at an approach to protect this land for veterans now and in the future

Mr. BOND. Mr. President, I would like to ask the Senator from California a few additional questions on this matter. Senator, you mention the land is under deed restrictions against development inconsistent with veterans needs. If this is the case, why are these organizations worried about suggestions for commercial development?

Mrs. FEINSTEIN. The 44 acres in question are part of the original deed; however, they are contiguous to lands under less restrictive deeds thus creating a danger to this parcel.

Mr. BOND. The committee understands that the Department of Veterans Affairs is not prepared to create new cemetery space in this region and that there is not an immediate need for additional cemetery space. Are there not higher priorities for the Department of Veterans Affairs for cemetery space in other regions of the United States?

Mrs. FEINSTEIN. It is not my intent to request that this land be converted into a cemetery at this time. The Senator is correct, there are other regions in the country that are in great need of additional cemetery space. My goal is to ensure that this land is preserved so that when the need for additional cemetery space arises, 20–50 years from now, the Federal Government will have land without major construction or contamination issues which can be easily converted into a cemetery.

Veterans Affairs Secretary Jesse Brown has suggested both to local leaders and the House that a veterans memorial park would be a good interim step to protect the land. This action would not be an additional burden on the taxpayer because local leaders strongly feel they can raise the needed funds privately to create this park. I hope that the committee will support this effort with the inclusion of language in the conference report.

Mr. BOND. I appreciate the issues you have raised and will be pleased to work with Mr. LEWIS of the House Appropriations Committee to address this issue in conference.

SOUTHERN OXIDANTS STUDY

Mr. FAIRCLOTH. Mr. President, as you know, the Southern Oxidants Study has brought together 35 industrial and government organizations and 20 universities in 21 States to study a critical economic, environmental, and health issue—the formation of ground level ozone. Ground level ozone is a problem that has plagued many areas of the United States, having a negative impact on economic growth, human health, and forest and crop productivity. In the Southeast, ground level ozone may have its root causes in environmental factors unique to my region. Because of this, the basic scientific research conducted by the Southern Oxidants Study scientists is so critical to providing policymakers with unbiased data for use in developing solutions to the problem. Not only is this information beneficial to my region, but the methodologies and knowledge gained in this study will add to ozone research nationally and internationally. The Southern Oxidants Study approach has been endorsed by the National Research Council and others and is considered a model of regional cooperation. It is imperative that appropriate funding be continued for this vital study.

Mr. BOND. I am aware of the important scientifically based contributions made by the university-based Southern Oxidants Study to understanding the causes of ground level ozone pollution in the Southeast as well as other areas of the country. I agree that the Environmental Protection Agency should continue to provide the appropriate funding to ensure that the critical objectives of the study can be fulfilled.

PCB-LANDFILL PERMIT APPLICATION

Mr. LEVIN. Mr. President, as some of my colleagues know, PCB's are an extremely sensitive matter in the Great Lakes region. These substances bioaccumulate, biomagnify and cause permanent damage to the environment and public health. And, they are ubiquitous. They are in the water, the sediment, and still stored around the country. Long ago, we made a decision to discontinue their manufacture and import because of their negative effects on human health.

Recently, in March of this year, the EPA decided that a 15-year-old ban on the importation of PCB's should be lifted. This seems like a curious decision, since I am not aware that the negative health implications of PCB disposal, incineration or other treatment, which motivated the original ban have significantly changed in that time. I plan to review this decision very carefully and hope my colleagues will join me in that process.

It is true that some novel and cleaner permanent destruction options are now nearly ready for commercial use. But, PCBs are toxic wastes that have an extremely long half-life and their basic characteristics have not changed. I am concerned about their importation especially if they are simply going to be landfilled or their incineration generates dioxins and other air toxics.

As my colleagues may know, Representatives BENTSEN and RIVERS successfully attached a rider to the House version of this bill that would prohibit any PCB disposal or treatment so long as EPA's rule allowing importation of PCB waste is in force. Though that provision has some merit, I would prefer a narrower approach to correct what seems to be a clearly flawed process that EPA has followed to date on a landfill permit for PCB disposal.

Generally, EPA does a very good job of informing the public and considering its view prior to making regulatory decisions. But, in this case, things have not gone very well. And, due process seems to have been thrown out the window.

In approximately July of 1995, an application was filed with the EPA to dispose of 1.4 million cubic feet of PCB-contaminated waste, much of which would be higher than the Federal action level of 50 ppm, at a facility in Michigan.

According to EPA, legal notice of this application was given at about the same time in various local newspapers.

At a public meeting in April of this year, during the public comment period on a landfill permit application, EPA and the Michigan Department of Environmental Quality representatives responded to questions from a very concerned local audience. My staff attended this meeting.

This meeting occurred weeks prior to the conclusion of the public comment period. The deadline for public comments was May 18, 1996.

At that meeting, an EPA official apparently spoke words to the effect that the people can say all they want but that the permit is ''a done deal.'' EPA has video tape of the event and we will try to check that tape. But, my staff was in attendance and heard the remark. It was later retracted, but the damage was done.

Mr. President, I am appalled at the implication in that official's statement, regardless of the situation or the retraction. There can be no confidence now that the permit process that EPA has followed has been fair and objective, that the public's comments will even be factored into the permit decision. In fact, in a letter that I ask be inserted into the RECORD following my remarks, Congresswoman RIVERS and I suggested that EPA discontinue consideration of the permit application simply because of this event. (See exhibit 1.)

Further complicating this situation are the merits of the permit application. The regulations developed by EPA to implement the Toxic Substances Control Act [TSCA] are fairly specific. They lay out all of the technical requirements that each chemical waste landfill must meet before it can be approved for PCB disposal. Based on the excellent information provided to me by Van Buren Township, the landfill application in question apparently fails to meet 5 of the 7 major technical requirements.

Mr. President, it becomes more disturbing. My staff has been given the impression from EPA staff that a waiver of the technical requirements is necessary to approve this permit, since it clearly violates the criteria for proximity and connection to water, and that such waiver will be granted. Combining that with a statement to the effect that the permit is ''a done deal,'' I am truly disappointed. The people who live in the vicinity of this gargantuan waste disposal facility are not getting fair treatment from the regulators who are supposed to be looking out for the public health and welfare.

Mr. President, this permitting process should not go forward, if it has been as tainted as I have been led to believe. It should be discontinued. If the public cannot be assured of a fair hearing on such weighty matters, we are in real trouble.

Mr. BOND. The Senator from Michigan has stated his case clearly and forcefully. EPA certainly seems to have seriously erred, if its representative indicated an outcome before the permit process has concluded.

Having said that, however, there is a related provision, as the Senator has mentioned, in the House bill on PCB's. As a result, this matter will have to be discussed in conference. EPA has been made aware of the mistakes that have weakened his trust in the Agency's ability to be fair and objective in this permitting process. I cannot speak for the Administrator, but I believe that it may be possible for the Agency to review this situation and start afresh.

There may be something that we can do in Conference report language that would help the concerned citizens feel that they are being treated reasonably and the real environmental risks are being considered.

Mr. LEVIN. Would the chairman be willing to seek to include language in the conference report that directs EPA to review the process that has been followed in this particular case for breaches of the public trust and breakdowns in the normal process that should be followed when considering a permit of this magnitude? And, if the representatives of the EPA have, by their own words during public consideration of a landfill permit application stated the intended outcome prior to a final permitting decision, direct that further consideration of the permit be discontinued?

Mr. BOND. I will certainly work to inform and convince the conferees that such language is important and may be appropriate.

Mr. LEVIN. Would he further request that the conference report include language directing EPA to report back to

Congress within 90 days on the location and number of chemical waste landfills that have received waivers pursuant to 40 CFR 761.75(c)(4) and a justification for each waiver?

Finally, and I appreciate the chairman's patience, would he also consider directing EPA to engage an independent body to review whether or not the facility in question meets the technical requirements spelled out in 40 CFR 761.75(b), prior to any final decision on the permit?

Mr. BOND. I will do my best to accommodate his requests.

Mr. LEVIN. I thank the Chairman.

AMENDMENT NO. 5167

(Purpose: To make a series of amendments relating to housing)

Mr. BOND. Mr. President, I now send an amendment to the desk.

The PRESIDING OFFICER. If there is no objection, the pending committee amendment will be set aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] for himself, Mr. D'AMATO and Mr. BENNETT, proposes an amendment numbered 5167.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. BOND. Mr. President, what I have offered today is an amendment to provide a section 8 mark-to-market transition demonstration program for the restructuring of mortgages on FHA-insured multifamily housing projects with expiring oversubsidized section 8 project-based contracts.

At the end of my remarks, unless others wish to make comments on it, I will ask this amendment be set aside. My purpose in sending it today is to allow it to be printed in the RECORD so that all my colleagues have an opportunity to review the amendment.

This amendment reflects our best efforts at solving a critical and costly issue which is necessary to preserve affordable low-income housing. Because it is a very complex amendment, it has gone through significant work, readjustments, revisions, and recriminations. I felt it would be wise to give all Members and their staffs an opportunity to give this amendment thorough consideration. If there are improvements on it or if there are ways we can change it now or when we go into conference, I hope Members will come forward and offer their views and their advice on it. It is absolutely essential we deal with this problem right away so we will not trap ourselves in an escalating series of commitments that are beyond our financial resources to satisfy.

I know many Members are at this point perhaps only marginally aware of the exorbitant costs needed to maintain some one million units of FHA-insured section 8 project-based housing that are affordable to low-income families. This marginal awareness is understandable because the section 8 new construction and modern rehabilitation programs were financed in previous years through oversubsidized 15- and 20-year section 8 project-based contracts which are only now coming due for contract renewal. This housing is a valuable resource for low-income families, but the cost of renewing section 8 for this housing often will be an unreasonable expense.

We have an opportunity now and an obligation to readjust the cost of this housing to the cost of market rents. The Banking Committee recently held a hearing on the mark-to-market issue which emphasized the escalating costs of this section 8 project-based assistance. In response, the Banking Committee is currently preparing to mark up a bill to establish a comprehensive program to reduce the costs of expiring project-based section 8 contracts, limit the financial exposure of the FHA multifamily mortgage insurance fund for costly mortgage defaults, and preserve, to the maximum extent possible, the section 8 project-based housing stock for very low- and low-income families.

In conjunction with the efforts of the Banking Committee, I am proposing today an interim section 8 mark-to-market demonstration as a stepping stone to the Banking Committee bill to provide HUD and certain public agencies with the authority and tools to test various approaches to restructure mortgages and reduce the cost of section 8 project-based assistance to these multifamily housing projects. I expect and hope that Congress will enact a comprehensive reform bill this year.

I give my special thanks to Chairman D'AMATO and Senator MACK as well as to Senator SARBANES and Senator KERREY for their interests, their dedication and commitment to finding a bipartisan approach that preserves this low-income housing stock at a reasonable cost to the Government.

Let me emphasize the depth of the section 8 mark-to-market problem. There are some 8,500 projects with almost one million units that are both FHA-insured and whose debt service is almost totally dependent on rental assistant payments made under section 8 project-based contracts. Most of these projects serve very low-income families, with approximately 37 percent of the stock serving elderly families. Most of these projects are also oversubsidized and are at risk of mortgage default if we do nothing and attempt to renew the project-based contract at fair market rents.

Some 75 percent of this housing stock has rents that exceed the fair market rent in the local area. This means without the renewal of the section 8 project-based contracts, many project owners likely will default on their FHA-insured mortgage liabilities, resulting in FHA mortgage insurance claims and foreclosures. HUD would then own and be responsible for managing these low-income multifamily housing projects.

In addition, the cost of renewing the section 8 project-based contracts on these projects reemphasizes the difficult budget and appropriations choices Congress must make in seeking to control spending and achieve a balanced budget over the next 6 years. In particular, according to HUD estimates, the cost of all section 8 contract renewals, both tenant-based and project-based, would require appropriations of about $4.3 billion in fiscal year 1997, $10 billion in fiscal year 1998, and over $16 billion in fiscal year 2000.

In addition, the cost of renewing only the section 8 project-based contracts will grow from $1.2 billion in fiscal year 1997 to almost $4 billion in fiscal year 2000, and to some $8 billion in 10 years. These exploding costs are unacceptable and unsustainable.

The section 8 mark-to-market demonstration included in this amendment would authorize HUD to renew for up to 1 year all expiring section 8 project-based contracts with rents at or below 120 percent of the fair market rents for an area. This safe harbor will cover many of the 240,000 units which are supported by the expiring section 8 contracts and will provide HUD with the administrative ability to focus on those FHA-insured multifamily housing projects with significantly oversubsidized rents.

The projects with units which do not qualify for the contract renewal safe harbor will be eligible to participate in the section 8 mark-to-market demonstration. In addition, similar to the Banking Committee's mark-to-market draft bill, the demonstration would encourage HUD to enter into contracts with State housing finance agencies, local housing agencies, and other public agencies to administer the demonstration program and to work at the local level to restructure the FHA-insured mortgages and to reduce the cost of section 8 project-based assistance.

Finally, the demonstration would provide HUD and the public agencies with a number of tools to restructure the FHA-insured mortgages and reduce the cost of section 8 project-based housing assistance. These tools include the authority to restructure mortgages so that a first mortgage will reflect the market value of a project, while HUD holds a soft second on the remainder of the front debt. This is a critical tool because it preserves both the low-income housing while reducing the cost of section 8 project-based assistance and the risk of foreclosure. The demonstration allows HUD to implement budget-based rents to squeeze out any inflated projects, while covering the debt service and operating costs of these federally assisted projects.

In addition, this demonstration would exclude those projects which are not properly managed or do not meet appropriate housing quality standards. The demonstration, however, is flexible enough to address the unique characteristics of projects such as elderly

projects in rural areas and the unique characteristics of localities such as those with very low vacancy rates.

I again emphasize that this demonstration is still a place holder as an interim approach to preserving federally assisted low-income housing through restructuring FHA-insured mortgages and reducing the associated cost of section 8 project-based assistance. We look forward to working with the administration, the Banking Committee, and the housing industry to find a responsible permanent method of preserving this valuable section 8 housing resource.

Mr. President, I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I support Senator BOND's amendment. It starts to address the serious problem with section 8. A large number of housing projects, or housing programs, are subsidized by rents that far exceed the rent in a given area. In 1997 alone, over 2,100 of these section 8 contracts with nearly 132,000 units will expire. The Government cannot afford to continue paying these excessive rents indefinitely. This is almost like a Ponzi scheme, which is to come on in and get an FHA mortgage to build it. But in order to sustain the mortgage at inflated rents so you don't default, you need section 8 contracts. Well, we are heading for a financial disaster in three ways. No. 1, this could become an incredible taxpayer liability if all this begins to cascade in default. No. 2, we cannot continue to pay rents above market value, nor should we. No. 3, what we find is that we have an incredible number of these section 8 contracts coming due over the next 3 to 5 years. We must get a handle on the problem.

Senator BOND's approach is a very, very reasonable approach. It is a demonstration project. It gives a variety of tools to the local area to resolve this, because so much housing in a national program is locally set. The market value in Utah of section 8 is remarkably different than in the San Francisco area or the Seattle area. So we think it is a very good approach. I think the Bond amendment begins a process that enables us to begin to, in a reasonable, rational, well-paced way, begin to move on this. We cannot ignore the fact that over 850,000 units with subsidy problems are in the pipeline. Now is the time to act. I look forward to additional debate on this amendment, but I look forward to supporting this amendment. Most of all, I support beginning the process of getting a real grip on this issue.

Mr. President, I will have more to say later, but I think that summarizes my thinking.

Mr. BOND. Mr. President, I thank my distinguished friend from Maryland, who has stated very clearly and eloquently what I was trying to say, which is that we have a financial disaster facing us, and we cannot resolve it easily. We have to do something that preserves this low-income housing. As I indicated earlier, my purpose in presenting the amendment at this time was to allow it to be printed in the RECORD, to draw the attention of my colleagues to it, so that they may give us the benefit of their wisdom or any views that they have on it before we seek to adopt it tomorrow, with the full knowledge that we may well have to address it again in conference. It is vitally important for low-income housing in every State in the Nation. I hope that my colleagues will look at it.

With that, Mr. President, I ask unanimous consent that the amendment be set aside for further discussion. I see colleagues on the floor who may wish to speak, so I yield the floor.

Mr. DORGAN. Reserving the right to object, Mr. President, I don't want to interrupt my friend, who was, I think, on the floor before I came. I want to ask a few questions about the section 8 program and this amendment. You have no doubt forgotten more about this than I even know. I have had some meetings about section 8 recently, and I would like to spend some time inquiring about the direction this amendment will take us. So I can do that following the presentation by Senator SHELBY. I am happy to do that.

I ask unanimous consent to be able to do that.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

The Chair recognizes the Senator from Alabama.

Mr. SHELBY. Mr. President, I rise in support of the bill before the Senate this afternoon.

Mr. President, the United States of America is the undisputed leader in space technology development and space exploration. We can thank the American people for this.

It is they who had the foresight to commit to space exploration and to demand that we reach beyond what is already within our grasp.

Mr. President, the bill before us today continues that fine tradition and will help the United States maintain its leading role in space.

It fulfills our commitment to space exploration in a number of ways, but primarily by funding the international space station.

We have heard on this floor countless times and we will continue to hear that we cannot afford such an investment in our future.

I cannot explain why someone would choose not to complete this noble journey. I can explain, however, why Americans throughout this Nation insist that we must. It is because Americans have always dreamed larger, reached farther, and excelled beyond all expectation. It is an American destiny to take this next step in space exploration. We must not quit now.

By providing more than $5.3 billion to fund the Human Space Flight Program, which includes the international space station, this bill will preserve American leadership in space exploration. I am pleased the committee chose to continue this great endeavor.

Mr. President, I also want to take this opportunity to highlight two other very important NASA provisions in this bill. The first is the WINDSAT Program within Mission to Planet Earth. The Mission to Planet Earth Program will provide valuable long-term climate forecasting information essential to a number of U.S. industries, including environmental, agricultural, forestry management, and disaster prediction and mitigation programs. The most difficult task facing this program is predicting seasonal and annual climate changes. This is the purpose of the WINDSAT Program. The global wind data provided by the WINDSAT is critical to Mission to Planet Earth's ability to predict these changes.

Without this information, we are getting only part of the picture. WINDSAT will provide the data needed to complete that picture. I am very pleased the committee has supported this program.

Mr. President, 50 years ago, it would have taken an entire warehouse to hold a computer with the capabilities of today's small hand-held calculators. Again and again we have seen how technology development reduces size and increases power. This is happening in the satellite industry as well.

By the year 2000, advanced microsatellite technologies will yield small high-power, low-cost satellites, yet launch costs will be prohibitively expensive, unless we do something about it.

Therefore, I am pleased that the committee has directed an augmentation for the low-cost small-launch technology demonstration project.

This project promises to establish American leadership in the low-cost small-launch market. Without this additional funding, the objectives of the program simply cannot be met. The funding level in this bill will ensure that as microsatellites become available, we will have a cost-effective way to put them into orbit.

Mr. President, in short, the bill we have before us today fulfills an American vision of our future in space by continuing our commitment to space exploration and high-technology research and development. It will ensure that we continue on our national journey into space and will mean more opportunities and a brighter future for our country.

I urge my colleagues to share this vision and support this bill.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I listened to some of the presentation by Senators BOND and MIKULSKI. I indicated that they obviously know much more about section 8 housing than I. I

am certainly not an expert in this area. But I have begun to look at section 8 housing because housing authorities and some others have called it to my attention and have asked how this can be justified. The more I have reviewed what has happened in section 8 housing, the more I have become convinced that if you were to try to find among the dumbest ideas on how you might provide housing for low-income folks, among the dumbest ideas, you would select the approach selected some 20 years ago called section 8 housing.

It resulted in, as I understand it, a series of very significant tax benefits paid upfront—generous, significant tax benefits paid upfront—for the construction of housing with preferential mortgages and mortgage amounts being given in excess, in most cases, of what would be provided in normal private sector construction. In addition to that, once the property was built with these tax benefits and with the preferential mortgages, section 8 provided a contract for rents that provided automatic escalators every year for whatever the period of the contract—in most cases, 20 years, I understand.

The result is, for example, that in a rural county of North Dakota, Towner County, the fair market rent for a one-bedroom apartment is $270. But someone owning a section 8 property is not given the $270, but instead paid a rent of $536. This is a microcosm of what is happening around the country.

As you can see from this chart, in Williams County, ND, the fair market rent would be $263. If you happen to have a series of low-income units in section 8 in Williams County, you wouldn't be getting a check for $263; you would be getting $508.

I made a list of these properties just in North Dakota, a tiny little fraction of the properties nationally, and discovered that a substantial amount of money is being paid above market rent. This will not be news to the chair and the ranking member. That is what they are attempting to address. That is what they have been talking about. But when you look at this, let me say at the outset that this is not a case of landlords doing anything wrong. The landlords signed up for a program that was made available by the Government, and the Government said we want to make sure some housing units are available for low-income people. So here are the incentives. Grab the incentives. Build some units and join in. What has happened, however, over the years is, with these automatic escalators, the rents that are now being charged the taxpayer to house low-income people are outrageous. They are way out of whack.

I also understand an evaluation has been done recently by Ernst & Young about deferred maintenance costs and short and long-term maintenance requirements on these section 8 properties across the country. There are, I believe, more than 1 million rental units receiving section 8 subsidies—132,000 of which will come up this year for an extension of the contract. The Ernst & Young study showed that there is somewhere around $9.2 to $10.2 billion in deferred maintenance costs.

If that is the case, I ask the question: First, what do we do about this as the contracts expire? Do we simply renew the contracts? If I were a section 8 landlord—again, I emphasize these landlords have done nothing wrong. They have simply taken advantage of a fundamentally dumb program constructed improperly without good forethought in a way that was guaranteed to ravage the taxpayer. But, nonetheless, if I were one of those landlords, I suppose I would say, ''Gee, I would like to sign up for another 20 or 10 years. Let me sign up at the same rate. Let me get $508 for a unit where the fair market rent would be $260. I would like some of that.'' I am sure the landlords would say that. I know that across the country section 8 landlords are saying, ''We want extensions at the same rate.''

The Senator from Missouri, as I understand his amendment—and I do not understand all of the details of it; that is why I am going to ask some questions—he says, well, these contracts, if extended, are going to have to be reduced and the rents are going to have to come down some. But if you bring them down to market rent or fair market rent immediately, these folks who own them will simply walk away. They have their tax benefits. They have 10, 15, or 20 years of well above market rents. They will simply walk away, and all of these properties will be defaulted, or many of them will be defaulted. The Federal Government or someone will end up owning all of this property.

I would like to understand and talk through for a minute where we go with this. I am almost inclined to think that we ought to just decide this construct is so inappropriate, at least given the taxpayers' interests, that maybe we should find a way to get to simply a voucher system. We could give those who are eligible a voucher that they can take and go find an apartment or a housing unit somewhere. But I do not quite understand how we get there from where we are now. And I fully agree with the Senator from Missouri and the Senator from Maryland. It is totally unacceptable and must be changed. It must be altered.

How do we get from where we are now to where we want to be? It seems to me that where we would want to be would be in a circumstance where the taxpayers are helping in providing the incentives for some low-income housing, because I think we need to do that. But the question is, how do you get to that point? Can you make a silk purse out of a sow's ear? Can you take a program that now exists and conduct an experimental program of some type? Can you create something out of this that the taxpayers will look at and say, ''Yes, that makes sense''? If so, how do we do that? I ask the Senator from Missouri.

Mr. BOND. Mr. President, I appreciate my colleague asking simple questions. This obviously is a major financial problem. It is a question of preservation of housing stock, particularly for the elderly in rural areas. We also have been sensitive to the cost of this housing. Over the past several years, we have capped the automatic escalator, or annual adjustment factor, on section 8 contract rents to limit the upward cost of this housing.

In addition, depending on how we treat this housing and the section 8 subsidies, the Federal Government faces significant financial exposure as a result of FHA mortgage guarantees on these projects. If we were to walk away from this housing, the FHA insurance fund could be faced with the full cost of these mortgages. This is many billions of dollars of risk and exposure. In addition, mortgage defaults will mean that FHA and HUD would have the projects in the HUD inventory, and be responsible for managing and selling them. In some cases, many of the better projects could command high rents and be taken out of the publicly assisted housing program.

We have attempted to look at the alternatives. Under the demonstration, HUD could hold a soft second mortgage by paying down the insured project debt to market. This would limit the exposure of FHA which otherwise could be subject to the exposure of the full amount of the guarantee on project debt. The FHA, the Government, the taxpayers, will have a soft second mortgage on that property which will essentially kick in after the first mortgage is paid off. In this way, section 8 would be paid at the market rent and good owners of projects could stay in the program and not be forced into default and foreclosure.

It was our hope in working with all of the parties involved—as I said, originally many of them with adverse and competing interests—that we could maintain this housing for those who need assisted housing most by allowing HUD to enter into a demonstration project. We tried to involve State housing authorities in this project to do the workouts. We have provisions that would permit HUD to set a budget-based rent that would take into account the costs of maintaining the project debt service and operating expenses.

Finally, the purpose of the demonstration is to preserve low-income housing at affordable prices. This is critical for the people who depend upon this housing, in North Dakota, as in Missouri. Preservation is especially critical for the elderly who depend on these projects in rural areas.

It is our view that attempting to shut down on the projects and voucher out the people who are displaced would lead to a tremendous loss to the FHA insurance fund and a loss of housing. In

many areas, there may not be housing to supplant this housing that has been constructed.

I do not intend and will not try to justify the decisions which were made to get us into this crack. We are in a very difficult financial situation. We have a commitment to provide housing. It is my view that this is the best way we can get out of it. If the Senator and his staff would like to work with us and have a better way to do it, I am anxious to have improvements. But from our standpoint, having worked with all of the competing interests in this, this seems to be the best way to minimize the exposure to taxpayers and maintain vitally important housing for those who need assistance.

Mr. DORGAN. Mr. President, I am not suggesting there may be a better idea. It appears to me that this is a maze from which there is not an easy escape. I guess I do not yet understand what a soft second mortgage is, and I also want to try to understand how this $10 billion in deferred maintenance on these projects, projects for which there have been substantial tax advantages paid up front and substantial rent advantages given over a contract period, how that relates to what one might or might not do with these properties.

So I guess the first question I would ask is, what is a soft second mortgage? Is there an anticipation that that will be paid? And why might not a landlord simply walk away from a soft second mortgage? After satisfying the obligation of the next contract period over which the original mortgage is written down and rents are sufficient to provide a profit ostensibly to those property holders, why would they not walk away from a soft second mortgage? I am asking the question only because I do not know anything about this proposal.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. BOND. In answer to that question, there are significant tax liabilities for an owner who walks away from a project. There were tax benefits which accrued to the people who produced the project in the first place. Walking away means they lose not only the property, but they also are subject to significant tax recapture.

There is a proposal from HUD that the write-down include funds sufficient to pay any tax liabilities. I do not agree with that. I do not think that in the housing business we should change the tax implications. But there are very serious tax implications if they walk away. The second mortgage is one which does not require payments in the initial years while the first mortgage is being paid off.

To address the deferred maintenance, the owners will have access, for the first time, to residual sums which had been set aside in the past for maintenance, and by converting a portion of the debt on the project to the soft second and freeing the owners from the responsibility of paying that portion, paying current debt service on that portion, that will free up money for the deferred maintenance. Will it handle all of it? We cannot say. But there will be a substantial sum made available. We are calling it a demonstration project because we do not know for sure how this will work, but it is our best idea of how to deal with these related problems.

Ms. MIKULSKI. If I could comment——

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Ms. MIKULSKI. To the Senator from North Dakota, the Senator first of all is right; we use a vocabulary nobody understands, like ''mark-to-market,'' ''soft seconds,'' and all of that. It is part of budget speak and one of the reasons the American people cannot follow much of the debate. The language of Washington is not the language of everyday people nor the language of everyday mortgage speaking, and so on. So I want to acknowledge that.

Let me first explain to the Senator what ''mark-to-market'' means. It is really called multifamily portfolio reengineering. It is a program designed simply to refinance the FHA-insured project base, meaning that it is the actual building. Section 8 assisted multifamily, meaning more than one family lives in it. It is private sector housing. It is not public housing. The Senator is right. It was a program created during the Nixon era and worked, but every good intention got layered on and now we are in a situation where there is a tremendous possible liability to the U.S. Government if these mortgages go into default. If so, it is like a mini S&L crisis. What we are all trying to avoid, including working with the Clinton administration and Secretary Cisneros, is that.

There is no answer. So what we are doing is providing the flexibility for refinancing and restructuring. If you are a lousy landlord, you are going to be pushed out. They will not renew it. We are all in kind of this quagmire. This demonstration project is providing flexibility to the local government.

But let me come back to what the Senator says, how he needs to understand this. I want to understand it, too. The best explanation, quite frankly—and I mention it for the Senator's staff—the Baltimore Sun in a column called, ''The Perspective,'' August 18, had an exceptional article done by John Barth, who was the chief economist at the Office of Thrift Supervision during President Bush, and Robert Litan, who is the director of economic studies at Brookings. He goes through what this time bomb is, and it is a time bomb, including a variety of the options that we have at our disposal. There are none that are easy. There are none that are simple. There are none that are cheap. So what we are in the process of doing with the Bond amendment is beginning the process of getting our hand around it.

Now, I could go through item after item after item on tax consequences, and so on. But I do not know that it would serve the Senator, and also perhaps we could get this even Xeroxed because we will be debating this tomorrow. But one thing the Clinton administration agrees upon, and I believe the Republican Caucus as well as our side, is this is a time bomb, and where ultimately we might go to vouchers or some other thing, right now we have this, and we will be faced with this I would say for the next 3 to 5 years.

I know this because of a problem in Maryland where the guy took the section 8 money, did nothing on maintaining it. HUD, Maryland HUD, preferred sitting in an air-conditioned office rather than going out standing sentry on these projects, and now this guy is walking away from it. I have an IG report on it. I cannot go into it in more detail.

So you have the bums like what I had in Riverdale, in Maryland, and then you have others that got into it—well-intentioned, aging projects, section 8, tax credits—but now they cannot continue to pay that rent and so they say, ''Whoops, we are now caught. How can we work it out?'' And the Bond amendment is how to deal at the local level with landlords, owners who are ready to deal in good faith so we do not place the tenants in jeopardy and we do not place the taxpayers in jeopardy. It is the beginning of a process, and the only tool we have is to restructure these mortgages and to begin to kind of phase them out. Will the Senator characterize that as accurate?

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I am advised by the distinguished majority whip that he needs to offer amendments, I believe, that are required on the unanimous consent.

If there is no objection, I will yield the floor to allow him to meet the 5 o'clock deadline which was previously entered into. I yield the floor.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Oklahoma [Mr. NICKLES] is recognized.

UNANIMOUS-CONSENT AGREEMENT—DEFENSE OF MARRIAGE ACT

Mr. NICKLES. Mr. President, I will be very brief. Under the unanimous consent agreement entered into prior to our recess for the August break, we entered into a unanimous consent agreement on a bill called the Defense of Marriage Act. Under the time agreement, it called for bringing this act up on Thursday of this week with each side permitted to offer up to four amendments. Those amendments must be submitted, each side, by 5 o'clock today.